

Department of Business and Management

Course of Global Organization Design and HRM

# Organizational challenges in Diversity Management: comparative case studies on Gender Diversity Management

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#### Abstract

Gender inequality at work is a particularly sensitive and always topical issue. Over the years, specific measures have been enacted with the aim of protecting gender equality, starting with Fornero Law No. 92 of 2012. The measure establishes a tax allowance for companies to hire female professionals, of any age, in sectors characterized by a strong gender inequality. To obtain the deduction, the sectors and professions must have a male-female disparity rate of more than 25 per cent.

Another measure dates back to the end of 2011, the Golfo-Mosca law, which requires listed companies to reserve at least one third of the seats in administrative-decision-making bodies for women. This measure meant that women accounted for more than 33 per cent of the total membership of corporate boards for the first time in 2017.

Are the employment opportunities of women and men currently equal? In Italy, female employment does not reach 50 per cent. At the same time, there is a high gap of more than 40% between the skills required by companies and those possessed by workers. Precluding women from employment opportunities would not only be anachronistic, but also counterproductive for companies and for the country system, which cannot expect to reach the 50% quota without targeting the population of unemployed women workers.

In addition to working less than men (the female employment rate is at 49%, compared to 67.2% for men), women also have lighter pay envelopes, which is due to the fact that they work fewer hours, performing activities with shorter hours, or on a part-time basis. In addition, they are less willing to work overtime, and this is linked to lower-paid and more temporary jobs, as well as the fact that, for the same qualifications, they get less career advancement than their colleagues.

Focusing on the factors and aspects of the activities that contribute to a 'masculine' culture in the company, it can be stated that, companies consider that it is the working hours that are the main unattractive and unfavorable aspect for female workers and female candidates, followed immediately by leadership, language, and manners, which underpin the culture. These areas are, in fact, characterized by production processes that require availability in terms of working hours and, in some cases, even mobility, but there are also stereotypical and prejudiced beliefs that some sectors are thought to be 'masculine'.

Gender inequality still exists in several areas. Obstacles to women's professional dreams are above all of a cultural and social nature: these are those prejudices that indicate certain types of professions as being 'more suitable' for a woman than for a man, because they are close to a certain collective imagination that sees women engaged in 'lighter' and 'easier' jobs. The first consequence of this way of thinking is reflected in the pay envelope and the perception of women in society. Proof of this is the gender pay gap, an indicator of the pay gap between women and men in similar professional roles, and the phenomenon of the so-called "glass ceiling". The latter is a metaphor for the invisible barrier of preconceptions that prevents female workers from making career advances and holding top positions in organizations.

An analysis for 2020 published by Cerved, a rating agency, and the Marisa Bellisario Foundation, a network that works to combat gender inequality, and reported, among others, by La Repubblica, shows how the percentage of the gender gap in reference to the role of CEO also depends on a generational factor. Women at the top of companies are only 13% over the age of 55; 18% between 45 and 54; they rise to 22% in the 35-44 age bracket, and 27% for those under 35. A progression that bodes well for the professional future of women and the progressive breaking down of prejudice on the part of the younger generations. But gender equality is still to be achieved: the gap between men and women in top positions in business and administration in Italy is 65.7% overall, confirming the "glass ceiling" phenomenon (Franco, 2021).

Moreover, there are job sectors in which women find it more difficult to succeed. Despite the fact that job sectors offer positions open to candidates of both sexes, the prejudice persists that certain professions are 'for men' and not suitable for women. This is a thought that attributes certain physical and moral qualities to men (such as strength and authority) that are different from those of women (gentleness, submissiveness, dedication to caring for others). Very often these attributions are completely unfounded, such as, for example, the prejudice that men are better at scientific subjects than women, who are better at artistic and literary subjects. Discrimination that begins in school and can extend into adulthood, precluding careers for women.

The European Institute for Gender Equality (Eige) has estimated the impact of gender equality on GDP growth in Europe for 2050. Promoting gender equality in a fast versus slow progress scenario could increase GDP per capita in Europe from 6.1% to 9.6%. In countries like Italy, which have a more backward starting position for gender equality, the potential impact on GDP is even greater and could reach around +12% in 2050 (JobPricing, 2023).

Economy Minister Daniele Franco, presenting the plan to the European Commission, said that the gender gap is one of the three gaps that Italy must make up if it wants to grow, along with the territorial and generational gaps. Especially after the further disadvantage on the employment front determined, for women, by the Covid-19: of the 565,000 fewer people employed in March 2021 compared to the same month in 2020, 377,000 were women (66%). (IISole24Ore, 2021)

A study, entitled 'Women4: overcoming gender inequalities for a sustainable future of work', notes that the focus on gender equality and women's employability over the years has mainly been on managerial and executive levels. Rarer is the focus on other occupations and on possible solutions to counter gender inequality also horizontally and transversally.

The aim of this exploratory qualitative study is to describe the current situation of the gender gap within Italian companies, taking all occupational levels as a reference and not only top management, with a particular focus on the female employment rate. The research is aimed at understanding the organizational challenges companies face when it comes to Gender Diversity Management, what are the advantages and disadvantages associated with it, the strategies adopted and the future prospects of this phenomenon.

Analyzing the latter, will shed more light on the reasons behind it, company practices with regard to gender equality, future perspectives, and the effects that full gender equality in companies could have.

After an initial introduction, the first chapter will focus on the concept of Diversity Management: its history, definition, advantages and disadvantages, the theories that have been put forward over time in this regard, the introduction of the figure of the Diversity Manager in various companies, and finally the regulatory framework and instruments adopted concerning these practices.

The second chapter will be devoted to Gender Diversity Management, starting with a description of the current situation of gender inequality in companies, followed by measures to protect gender equality within companies. This will be followed by a look at the Gender Equality Plan and the Bloomberg Gender Equality Index, respectively the official document that sets out a series of commitments and actions to promote gender equality within an organization through institutional and cultural change, and the index used to track the performance of public companies that commit to disclose their efforts to support gender equality through policy development, representation, and transparency. The chapter will conclude with an overview of best practices currently adopted by companies, possible corporate solutions aimed at reducing the gap and a description of the effects of women's presence in organizations.

Finally, the third chapter will be devoted to the presentation of the two selected case studies, namely Schneider Electric Italia and Sonepar Italia, where, with the help of interviews with HR Italy of these two multinationals, the strategies currently adopted by them to reduce the gender gap, the organizational challenges that Gender Diversity Management entails and the future prospects of this phenomenon in the contexts analyzed will be presented.

The information base of the study includes interviews, materials from national and international journals, academic publications, scientific articles, reports, and normative documents.

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### Introduction

Diversity Management is a form of business organization with social and cultural implications.

It has its roots in America in the 1980s, a historically multi-ethnic country, and gradually spread to the corporate level, where it was adopted as a strategic tool for success.

It can be defined as a strategic organizational approach, which considers people and their diversity as a pool of fundamental resources for corporate success, and in recognizing the existence of diversity, also supports its diverse, effective, and efficient management, enabling companies to achieve better results in terms of economics, competitiveness, and image. Underlying Diversity Management is the idea that each person carries a set of values and expectations that are the result of their personal history.

DM, by giving centrality to the person in Human Resources Management, aims to create an "inclusive" environment in which the differences of groups and individuals are not a source of discrimination but the object of real attention and listening. This organizational process serves companies to recognize, accept and integrate diversity, valuing heterogeneity in order to give all employees the opportunity to experience and be fully involved in company life, also with the aim of retaining them by leading them to become increasingly committed to achieving company objectives.

The key turning point is the enhancement of the diversity of the individual resource through the strengthening of his or her different talents, thus producing an increase in personal motivation that will consequently translate into a high productivity rate for the company.

Thanks to the right DM initiatives, diversity can turn into a real added value for the company, first and foremost because of an effective reduction in costs, resulting from a correct Diversity Management policy that, in fact, can lead to:

- a reduction in legal costs, as the company does not violate equal opportunities regulations.
- less personnel selection and training costs because Diversity Management also reduces the turnover of minorities.
- a decrease in costs for health and absenteeism, because when workers are motivated and valued by their company, they work better, more and are absent less.

However, it should be pointed out that it is by no means easy for companies to adopt Diversity Management policies, because this implies a real change in corporate culture that constitutes a true challenge compared to traditional systems that promote similarity and homologation. The word 'Diversity' encompasses a very broad field: racial diversity, gender diversity, sexual orientation diversity and diversity of psycho-physical conditions.

Gender management is the one that companies have been focusing on the most in recent years, with almost all companies now adopting practices and policies to promote and integrate diversity in sexual orientation and gender identity. However, this requires constant commitment and, although considerable progress has been made in recent years, it is an area where some companies still lag behind. In fact, there are still countries where women hardly get equal pay levels with their male colleagues, and it is often difficult for them to have equal career opportunities.

This exploratory qualitative study's objective is to characterize the current state of the gender gap in Italian businesses, using all occupational levels as a benchmark rather than just the top management, with a focus on the female employment rate. The goal of the study is to comprehend the organizational difficulties businesses encounter while implementing gender diversity management, as well as the benefits and drawbacks of doing so, the approaches taken, and the prospects for this phenomenon in the future. Examining the latter will provide greater insight into its causes, firm policies on gender equality, prospective developments, and the implications of complete gender equality in businesses.

After an initial introduction, the first chapter will focus on the concept of Diversity Management: its history, definition, advantages and disadvantages, the theories that have been put forward over time in this regard, the introduction of the figure of the Diversity Manager in various companies, and finally the regulatory framework and instruments adopted concerning these practices.

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Finally, in the third chapter there will be the presentation of the two selected case studies, namely Schneider Electric Italia S.p.A and Sonepar Italia S.p.A, where, with the help of interviews with HR

Italy of these two multinationals, the strategies currently adopted by them to reduce the gender gap, the organizational challenges that Gender Diversity Management entails, the main benefits of developing a diverse and inclusive environment, and the future prospects of this phenomenon in the contexts analyzed will be presented.

The information base of the study includes interviews, materials from national and international journals, academic publications, scientific articles, reports, and normative documents.

## 1. The Diversity Management

#### 1.1 History of Diversity Management

At the end of the 1960s, the first measures for the protection of minorities in the workplace came into being in the USA: the 'Equal Employment Opportunity' laws were passed, which banned discrimination in the workplace and defined it as illegal. The protagonists of this first form of protection were women and people with disabilities.

Diversity Management is a corporate management theory that originated in the United States in the mid-1990s with the aim of identifying ways in which a company could actively and strategically address diversity. It is evident that its promoting context influenced the very motivations for its birth: a country that is extremely diverse in nature and companies grappling with human resources belonging to different groups in terms of language, geographical origin, religion, level, or cultural substratum, where discrimination (ethnic, racial, gender, etc.) had an easy time influencing even the world of professions. At the time, it was evident in the US that workforce inclusion strategies from minority-represented groups, women and members of so-called ethnic minorities, whose recruitment by companies had been regulated by a constitutional amendment in the mid-1970s, were simply isolated interventions in the human resources sectors, which were not followed by real dissemination and awareness in the working environment.

The concept of diversity has been evolving since the 1970s, when the term was mainly used in reference to policies favoring the integration of ethnic minorities and women into the labor market. Nowadays, the rights of the differently abled, religious minorities and different sexual orientations have also been included, moving from a logic of respect to one of valorization. On the basis of a constitutional amendment in 1974-75, the US government pushed companies to hire more women and members of minorities by giving them more opportunities for personal growth. The purpose was obvious: to guarantee the rights of those who were discriminated against in the workplace. After a few decades of implementation and experimentation, the effectiveness of this amendment began to be questioned. In fact, it was noted that they were often completely divorced from company life, with the sole purpose of fulfilling mandatory obligations. The main actions boiled down to the introduction of minority quotas aimed at changing the composition of the company's human resources. The beneficiaries of the

shares did not advance in the internal hierarchies and ended up being stigmatized as unqualified. The idea then arose to introduce a way of including identity groups that would leverage mutual diversity.

Towards the end of the 1980s, many US companies began to realize the enormous potential that was being wasted as a result of discrimination, and therefore began to look for strategies to combat it and instead value the meeting of diversity, so as to create a more inclusive and serene climate in the workplace, which would bring advantages not only at a 'civil' level, but also at a 'productive' level: these companies had in fact realized that valuing diversity could bring them enormous advantages in both economic and reputational terms. The affirmative action was aimed at ending horizontal and vertical segregation in the workplace. This segregation was mostly due to the skin tone and gender of employees. This new vision of human capital management seems to have first appeared in 1987, when the Hudson Institute published the Workforce 2000 Report. In it, trends in the future composition of the American workforce were analyzed. The data that emerged revealed an increasing influx of multiculturalism and the progressive presence of women.

The existing policies of human capital management, which until then had been aimed at levelling out individual rights by guaranteeing equal access to opportunities inside and outside the productive organization, in the new light of these profiles began to designate, for companies, the growing need for a management approach based no longer on standardization but on valuing differences. It was at that time that the reasoning began to take hold that only by valuing diversity is it possible to contribute to improving and extending corporate culture. The big American companies, in fact, were the first to raise the issue of valuing workers belonging to different races, religions and social backgrounds. The starting point is that a 'multicultural' company possesses greater wealth in terms of human potential than a 'monocultural' company. This is how a new approach to people within human resources was born and people began to take ninto consideration very recently: apart from China, Japan and France, Italy has also been late in embracing Diversity Management.

In the member states of the European Union, legislative harmonization with respect to nondiscrimination on the grounds of sex, racial or ethnic origin, religion or belief, disability, gender, age, or sexual orientation officially arrived in 2006 with the amendment of Article 13 of the Treaty, leading to an epoch-making reflection and the first application of DM theories not only in European companies, but also in public administrations. Italy, as a member of the European Union, shares the position of the European Commission in promoting active diversity policies. From these experiences, a structured action aimed at the definition of Diversity Charters in the member states has matured, with the objective of concretely contributing to combat discrimination in the workplace and to promote fairness and equal opportunities from a Diversity Management perspective. To date, 21 member states have a Diversity Charter.

Diversity Management has therefore undergone an important metamorphosis in the last twenty years, transforming itself from a managerial theory born in a highly competitive, individualistic, and profitoriented context such as that of the United States, to a policy and regulatory adaptation tool aimed at respecting human rights for European companies and public administrations.

#### 1.2 Diversity Management in Italy

The development of Diversity Management policies in Italy dates back to the early 2000s, following changes within the labor market. The latter, due to globalization and the evolution of Western society, has evolved to become increasingly diversified.

Four phenomena have led to the diversification of work in Italy. The first is the increase in the presence of women in companies and in the labor market; in fact, over the years women have closed the gap in terms of culture and educational qualifications, presenting themselves on a par with men in the market. Another factor why Italian companies need diversity management business practices is the increasing presence of immigrants, as Italy is historically at the center of migratory flows from North Africa, which bring in thousands of non-EU workers every year. The third cause concerns the lengthening of average life expectancy, which has led companies to have workers of different ages and tending towards seniority; it was this that prompted Italian companies to focus on age management. The last factor that favored the introduction of diversity management relates to disabilities and the attention that companies have started to pay to the placement of disabled workers.

However, Italy has only recently taken into consideration and given importance to Diversity & Inclusion issues: it is estimated that, in 2019, more than one fifth of companies (20.7%, equal to over 5,700 units) adopted at least one measure not compulsory by law with the aim of managing and enhancing diversity among workers related to gender, age, citizenship, nationality and/or ethnicity, religious belief or disability. The application of such measures concerns 34% of large companies, i.e., those with at least 500 employees, compared to 19.8% of smaller companies, i.e., with between 50 and 499 employees (Istat, 2020).

Moreover, Diversity Management was initially mainly oriented towards gender differences, only in more recent years have experiments related to ethnicity, age, disability, and sexual orientation emerged.

Italy, after accepting the EU guideline and adapting the regulatory framework to make it conform to the principles of equal opportunities and equality, accepted the invitation of the European institutions to take action to spread greater inclusiveness in the workplace. In this country, the concept of Diversity Management was consolidated in 2009, after the Sodalitas Foundation presented the 'Charter for Equal Opportunities and Equality at Work': a declaration of intent aimed at spreading an inclusive corporate culture and policies, without discrimination and prejudice, capable of enhancing talents in all their

diversity, making them a strong point. Subscription is on a voluntary basis: companies of any size can join, as long as they are determined to spread the ideals of freedom, equality, and inclusion in their corporate culture.

The concrete actions proposed by the Italian Charter can be summarized in ten basic steps:

1. Define and implement company policies that, starting from top management, involve all levels of the organization in respect of the principle of equal dignity and treatment at work

2. Identify corporate functions to which clear responsibilities for equal opportunities should be attributed

3. Overcoming gender stereotypes, through adequate corporate policies, training, and awarenessraising, also by promoting career paths

4. Integrating the principle of equal treatment into the processes governing all stages of professional life and the development of human resources, so that decisions on recruitment, training and career development are taken solely on the basis of people's skills, experience, and professional potential

5. Raising awareness and providing appropriate training at all levels of the organization on the value of diversity and how to manage it

6. Periodically monitor equal opportunities performance and assess the impact of good practices

7. Identifying and providing staff with internal tools to guarantee the effective protection of equal treatment

8. Providing concrete tools to foster work-life balance by favoring the match between demand and supply of corporate and personal flexibility, also by means of appropriate corporate and contractual policies, in collaboration with the territory and the agreement with integrated public and private services, ensuring adequate training for the return of parental leave

9. Communicating to staff, in the most appropriate ways, the commitment undertaken in favor of a corporate culture of equal opportunities, informing them about the projects undertaken in these fields and the practical results achieved

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10. Promote the external visibility of the company's commitment, bearing witness to the policies adopted and the progress achieved with a view to a truly supportive and responsible community (Sodalitas Foundation, 2009).

Organizations that undertake to sign the Italian Charter have the opportunity to participate in numerous initiatives to support their diversity and inclusion policies. These include numerous days dedicated to the aforementioned issues (national Diversity Days), the possibility to apply for meetings organized by the European Platform of Diversity Charters, as well as access to online measurement of D&I practices through a tool provided by the Sodalitas foundation. The Equal Opportunities Charter is also complemented by the Compass for SMEs, a practical guide to the implementation of the above-mentioned principles dedicated to small and medium-sized enterprises, which in Italy represent the majority of operators in the industrial and service sectors. The aim is to propose in a simplified and more understandable way the topics addressed in the Charter, through the use of language lightened by technicalities. Today, some 500 companies, 300 non-profit organizations and various public administrations such as regions and local authorities, totaling 700,000 workers, adhere to the Charter.

However, it should be noted that Italian companies, being mostly small and medium-sized, find it difficult to apply these policies as it is riskier for them to take on the additional costs and risks required to change their business approach to a system aimed at valuing diversity. Large companies and multinationals, on the other hand, albeit a small minority, are increasingly increasing their focus on Diversity Management.

Focusing on the management by Italian companies with respect to the various areas of Diversity Management, it is interesting to note that it was not until 1999 that there was an initial form of awareness and protection with respect to the issue, when work began on the placement of persons with disabilities, following Law No. 68 of 12 March 1999, called 'Rules for the Right to Work for the Disabled'. In the aforementioned legislative text, the term 'targeted employment' was used, highlighting the change in perspective: from a mere obligation to hire, it became an obligation to 'hire through targeted action' persons with disabilities. The concept of targeted employment thus made it possible to shift the focus to the potential and resources of the disabled person, by virtue of which the latter can be chosen to join a company, just like any other employee without a disability. Despite the recognized importance of Disability Management, no national regulation has currently been issued that provides for and defines the figure of the Disability Manager, a professional figure aimed at fostering the inclusion of people with disabilities in the workplace, in the public or private sector. In fact, this professional role is not specified in any legislation, nor is there yet a professional register. In our country, this figure is still culturally little known and not adequately valued in working contexts.

Shifting our attention instead to the inclusion and respect in the world of work of people with different sexual orientations, it is important to recall that Law no. 76 of 2016 (the so-called Cirinnà Law) introduced the institution of civil unions into our legal system, providing for the legal recognition of same-sex couples with consequent repercussions in the sphere of work. The adaptation by employers to the legislation affects several instruments of labor law, namely, the leave of absence equal to that provided in the case of marriage:

- the obligation to extend to the parties of civil unions the leaves and permits provided by legislation and collective bargaining for certain family care needs (one among many, the monthly paid leave to assist the partner with a severely disabled partner ascertained by Law no. 104 of 1992).

- the obligation to extend welfare schemes, introduced by means of company collective agreements, concerning additional benefits with respect to education, recreation, social or health care, flexible working hours, smart working, and the use of the company car extended to the partner.

While all companies have been called upon to implement the provisions contained in the law, only 7.7% of those with at least 50 employees in industry and services (amounting to more than two thousand) have found themselves, since the law came into force, in a concrete position to apply, at the request of workers, the provisions of the so-called Cirinnà law on civil unions. Requests were more numerous among large companies, involving about one in three companies with at least 500 employees, compared to only 6% among companies with 50-499 employees (Istat, 2020).

On the age management front, ours is notoriously the oldest country. The problem, in fact, lies in the ageing of the population and workers, a problem that has been on the agendas of policy makers since 1997 at the Summit of the G8 countries. Subsequently, the problem of ageing became part of the documental production of the European Commission, which as early as 2000 with the 'Lisbon Strategy' began to recognize the relationship between demographic factors, employment, and economic growth in the various countries of the European Union, working on the objective that in the decade (2000-2010) about 50 per cent of workers should be in the 55-64 age bracket, actively employed. According to the 'Ageing Report 2021' issued by the National Institute for Public Policy Analysis, in Italy there are more over-65s than in the EU27 (23.5 per cent of the population). It is possible to say that in Italy demographic projections and the rise in the retirement age are inducing companies to reshape their organizational policies, making them increasingly inclusive of over-50 professionals. Today, in Italy, the over-65s make up 24% of the population, a percentage that, according to the latest ISTAT forecasts, is set to rise to 35% by 2050, the year when ageing will peak. In recent years, the number of workers between the ages of 55 and 64 has increased significantly and the number of young people between

the ages of 15 and 34 have decreased. A Eurostat study calculated that in 2021 there were about 4 million 588,000 workers over 55, or 53.4 per cent of total workers. While in 2001 there were almost four times as many workers under 35 as over 55 (8.3 million compared to 1.8 million), in 2021 the ratio almost equals, with a total of 4 million 929 thousand workers between the ages of 15 and 34 (Mauri, 2023).

In Italy, diversity management is still not among the main objectives of human resource managers. The issue of age management is, however, destined to become increasingly important: following the natural extension of life expectancy and welfare reforms that raise the retirement age, as well as the decrease in the number of under-35s at work, it will become inevitable to have ad hoc policies to manage the different generations at work. Companies are therefore realizing the importance of Age Management (AM), understood as the optimal management of available resources, aimed at enhancing the specific skills of the over-50s, integrating them with those of younger resources. Age Management policies in Italian companies should lead to the overcoming of traditional age stereotypes (of both young and old) and develop an orientation towards confrontation between the different generations to ensure that workers develop their full potential.

Focusing instead on Cultural Diversity Management, attention should be paid to data on the employment of foreign workers and immigrants in Italy. The latter is in fact one of the countries that receive the most immigrants in the world: at the beginning of 2016, according to ISTAT data, the foreign population on Italian territory exceeded 5 million people, making up about 8.5% of the entire Italian population. Today, of the 5 million foreigners present in Italy, more than 3.5 million are taxpayers. The presence of foreigners in Italy and of immigrants guarantees a substantial contribution to the national economy and confirms the theory that sees multi-ethnicity as an asset for the country, provided it is properly valued and respected. The placement of migrant workers over the years has almost resumed a pattern, with the majority of workers employed in northern Italian regions, areas par excellence more prone to industrial work, with workers almost always employed in the same sectors, speaking of a true ethnicization of jobs. This new social system is also beginning to be reflected in today's company, which, by welcoming people of different ethnicities, religions, and cultures into its ranks, reflects what is happening in our country. The company is therefore destined to become an increasingly multi-ethnic and therefore multi-cultural system, and for this reason it must commit itself to implementing and promoting welcoming policies to prevent the onset of difficulties in coexistence between cultures, so that it does not lead to conflict and discomfort.

In Italy, the diversity most often discussed is certainly that of gender. Unfortunately, Gender Management has often resulted in a still rather superficial attitude that needs to be deepened and

enriched with initiatives in order to really make a difference. It is mainly large companies and multinationals in Italy that have embraced the Diversity Management culture. It is equally true, however, that now the issue has also begun to gain more relevance among small and medium-sized companies; a fact, the latter, that gives hope for new improvements and future new investments of resources in this field, which would lead companies to become more ethical and better performing. Legislative interventions can certainly be a vehicle for such change: however, there is also a need for change from a cultural point of view, in order to achieve true inclusion.

#### 1.3 Diversity Management and Inclusion

The equal opportunities model imposes an interpretative key based on the concept of equality, according to which individuals deserve to be treated equally, accessing the same opportunities by the same means. At a legal level, this leads to the belief that a levelling of rights actually corresponds to a broader view of the recognition of individual rights. It is only in recent times that reflection shifts from the concept of equality to the concept of fairness: the very concept of 'organization' is changing, and this is attributable to the changed economic scenario, in which companies find themselves operating in an increasingly diversified and globalized market.

US organizational models have laid the foundations of a necessary and lasting approach. American foresight lies in the importance of recognizing diversity as a value and a skill to be managed, the basis of a correct application of the principle of personal identity and, consequently, of all Diversity Management policies.

Today more than ever, inclusion is a key word for a successful company because it is able to make the diversity present within it a real added value: recognizing individual differences has become a must in order to maximize the potential present in everyone and as changes in the social fabric have radically altered the labor market, leading to more and more diversity having to coexist in the same environment, the concept of diversity management has become increasingly important.

According to the definition of Diversity Management proposed by the European Union, the expression indicates the active and conscious development of a forward-looking, value-oriented, strategic, and communicative managerial process of accepting differences and using certain inequalities and similarities as a potential of the organization, a process that creates added value for the company. Diversity Management initiatives therefore aim to enhance the capabilities and peculiarities of individuals by promoting their empowerment. The best way of doing this is by implementing career paths based on meritocracy and the development of potential according to a long-term growth approach.

The idea that managing the diversity of people within the workplace can be a relevant factor for business success has led to the development over the years of a series of policies aimed at breaking down barriers, differences, hostility, and conflicts.

DM practices aim to make the most of the human resources present in the company, giving everyone the same opportunities. Investing in diversity, both personal and cultural, also benefits the motivation of the individual, the corporate organizational climate and the chances of success of the entire organization. This management approach therefore includes a set of strategic actions for work inclusion that aim to enhance diversity within a work environment, whether it be gender, sexual orientation, ethnic origin, age, culture, physical abilities, etc.

The human resource is placed at the center of this strategic organizational approach which, if well implemented, facilitates the achievement of the company's objectives by increasing its productivity, competitiveness, image, and reputation.

In order to implement it, it is necessary to involve all the stakeholders connected to the work context (employees, management, customers, suppliers, institutions, etc.) and encourage them, through concrete actions, to broaden their vision of the company.

The company is rich in diversity: actions or real policies can be put in place to reduce those tensions that arise between colleagues or in various work groups due to 'cultural' prejudices or misunderstandings. It goes without saying that in an environment where everyone feels comfortable and can express their diversity, people are under less stress and work better. Finally, the inclusion of diversity contributes to innovation and change because it provides an opportunity to exploit different points of view.

To contextualize the concept of Diversity Management, reference can be made to Corporate Social Responsibility, where Human Resource Management is instrumental in building an organizational culture increasingly supportive of differences.

While initially the categories targeted by the Diversity Management strategy were limited to the concepts of gender, race, religion, sexual orientation, and disability, today it can be extended to all people who live in organizational contexts or who find it difficult to place or re-place themselves in the world of work. The concept of diversity is now extended to everything that concerns the complex of elements that characterize the individual, e.g., personality traits and types of intelligence (no longer limited to the concept of logical-mathematical IQ). Soft skills such as emotional intelligence, empathy and proactivity are increasingly sought after, and this allows one to appreciate the beauty of the personal characteristics that each person can offer in the organizational context.

#### 1.3.1 Types of Diversity Management

There are many diversities, as we have mentioned. According to Loden and Rosener (1991) there are two main categories by which diversity can be distinguished:

- Primary diversities: those that are part of a person's innate heritage and cannot be changed such as gender, age, ethnicity, and religious belief.
- Secondary diversities: those diversities that can be acquired and, therefore, modified over time such as educational and professional background, experience, role within the company, income, geographical location and so on.

Diversity management is applied in six key macro-areas. Therefore, policies are adopted at company level to reduce the gaps that originate from these areas of diversity.

- Cultural Diversity: every culture brings with it different values, customs, and often religious beliefs. According to studies, however, a team full of people belonging to different cultures and consequently accustomed to different approaches, ways of thinking and doing things, represents a real asset, enabling the company to achieve an above average profit.
- Gender Diversity: it is certainly the diversity on which companies, including Italian ones, have focused most on recent years. Thanks to Gender Diversity management initiatives women and men should be hired at comparable and consistent rates, compensated equally, and given the same opportunities in the workplace, including access to resources, promotions, and salary. Despite the policies put in place, it is not uncommon to find realities in which pay levels continue to differ considerably between men and women, as do career opportunities, demonstrating that the right road has been taken but the path is still long.
- Age Diversity: Age Management is defined as a set of interrelated and functionally structured company operations that aim to recognize and enhance the strengths of employees, considering their age. Age diversity, if positively embraced, can increase the value of human capital, and profitably influence the company's economic assets. The objective imbued in Age Diversity initiatives is to develop harmony between the various generations present within the company context through the adaptation of activities to each one's role. A programmatic implementation

of precise practices in age management will support organizations to adapt to the natural ageing of the workforce, to contribute to the extension of working life and to promote equal opportunities between employees of different age groups.

- Disability Diversity: The Disability Management approach was born at the end of the 1980s and only spread concretely in a few countries, such as Canada and the United States. At the end of the 1960s, the first measures for the protection of minorities in the workplace came into being in the USA: the 'Equal Employment Opportunity' laws were passed, which prohibited discrimination in the workplace and defined it as illegal. The protagonists of this first form of protection were women and people with disabilities. Originally, it was mainly a regulation aimed at minimizing the impact of temporary or supervening disability situations arising from accidents or illnesses. The underlying aim was to involve companies in a process of improving the conditions of workers who had become disabled or disadvantaged, in order to enable them to keep their jobs. Subsequently, the mesh of protection was also extended to the employment of persons with disabilities and all those who may suffer discrimination for any other reason. The inclusion of disability, physical or mental, at work involves activities and initiatives aimed at promoting and encouraging the career of differently abled people and limiting as far as possible the negative impact that the disabled employee might encounter in the workplace and within the group.
- Diversity management for lgbt+ diversity: it involves initiatives with the aim of fostering an environment of non-discrimination on the basis of sexual preference and gender identity. After the approval of the Cirinnà Law, i.e., the Law on Civil Unions, also in the Italian labor world many large and small realities are adopting policies and initiatives aimed at extending the rights recognized to 'traditional' couples also to same-sex couples. In fact, encouraging the adoption of measures to promote respect and integration of diversity also in the field of sexual orientation and gender identity is important and requires ever increasing commitment. There are companies that have even moved ahead of the times. An important example is Intesa Sanpaolo, which already in 2014 had signed with the trade unions a 'Framework protocol on inclusion and equal opportunities' which, among other things, extended marriage leaves to same-sex couples marrying abroad. Another case of excellence is that of UniCredit, which, anticipating the approval of civil unions, extended equal rights to insurance coverage and family reunification.

Diversity Management initiatives and policies are actually implemented in organizations with the aim to enhance the strengths of individuals and make the best of all differences.

#### 1.4 The Diversity Manager

The Diversity Manager is the hr professional specialized in valuing diversity and creating an inclusive work environment. He is in charge of enforcing inclusion policies in the company to promote the integration of diversity. This figure is indispensable within the company since he is in charge of ensuring the integration of individuals within the work context and making the environment a safe space where people can express their diversity without fear. He or she manages diversity in organizations, trying to combine corporate objectives with individual differences and the personal well-being of employees.

If the role of HR is already, par excellence, transversal to all organizational levels, that of the Diversity Manager is even more so.

The Diversity Manager performs a strategic function so that teams become increasingly varied and rich, considering all the peculiarities that distinguish each person; he is the one who, within organizations, deals with the enhancement of diversity in terms of accelerating innovation, profitability, and productivity, and concretely declines the activities necessary to achieve these results. He deals with all the diversities present in the company, age, gender, sexual orientation, culture, ethnicity, abilities and promotes a truly inclusive culture.

The fields of intervention of this HR figure are diverse. Starting from the analysis of the company situation and distinguishing between the obvious needs, which may be a high turnover, or changes in technology, and the hidden ones such as gender differences in careers and low productivity, he acts on different levels, but always in agreement with top management. In the area of training, the diversity manager develops processes of innovation and overcoming hidden prejudices that are restraining; in the area of sustainability, he is active in certifying the quality chain in relations with customers and suppliers, fostering the rise of brand reputation; he develops and broadens the network of the company's stakeholders, rooting it in the territory with specific initiatives and designing projects with an international scope, if the market the company is aiming at is beyond its borders. Furthermore, he promotes awareness and sensitivity on social issues, by describing and integrating company policies that favor diversity and inclusion. The diversity manager can of course also deal with the various possibilities that exist to fulfil the obligation under Law 68, from recruitment to the use of conventions.

There may be resistance of companies to the introduction of this figure in the organization, and this is usually of two types: human, linked to the conviction of management which consists of perceiving

diversity as an obstacle and not as an asset; historical/sectoral, linked to the experience and historicity of the company that has never questioned diversity because it has perhaps been under-represented during the time, for example because the company operates in a predominantly male work segment. On the other hand, some contemporary phenomena, such as female employment, pension reforms that have led to the coexistence of several generations and the multiculturalism of our society have made diversity in the company a real fact and the figure of the Diversity Manager helps the company to be aware of it and manage it better, triggering projects that can be measurable and certified.

Moreover, it is not necessary for the Diversity Manager to be a structured figure within the company, however, it is necessary that there is a sharing of guidelines, processes and objectives with top management or ownership if it is a family business, and that a common path is defined, but it is not necessary for him to be structured within the company, since he could be an external consultant too.

#### 1.5 Critical issues and benefits of Diversity Management

Nowadays valuing diversity, even within companies, is a necessity. Demographic changes, diversification of markets and customers, new ways of working within and between companies has made it clear how the inclusion of diversity is an asset. While companies used to create work environments that were as homogenous as possible, this is no longer the case. According to Randstad's Employer Brand Research of 2022, the ability to value and promote diversity is also one of the parameters by which potential and current employees judge a company. According to the study, which involved almost 163,000 respondents from 31 countries around the world, including Italy, with a sample of 6,590 respondents, it is above all the younger generations that consider diversity and inclusiveness to be relevant factors, capable of directing them towards one organization rather than another. Young people between the ages of 18 and 25 of Generation Z in particular stated that they look for diversity and inclusiveness in companies, together with a pleasant working climate and the possibility of a clear career path.

Diversity management practices and policies are not only important from an ethical point of view. Respect for and celebration of diversity increasingly presents itself as an asset in employer branding, i.e., improving the image of the company itself in the eyes of employees, shareholders, customers, and institutions. This also has direct consequences on turnover, reducing its costs considerably, and on absenteeism, reducing its rates. A working environment in which diversity is not an obstacle but a value is an environment in which people feel at ease and are able to express their full potential. The coexistence and fusion of different points of view, ideas and experiences will then contribute to innovation and change.

The benefits of Diversity Management are attested by a large body of research that agrees that gender differences in top management increase the likelihood of higher-than-average profits and that ethnic and cultural diversity ensures better business performance. Implementing diversity and inclusion policies within organizations benefits not only the employees who are part of them but also the organization itself, from multiple perspectives.

One can think of the benefits of the inclusive system, imagining it as a continuous, circular flow, in which each factor influences and is influenced by the other in a multidirectional and multidimensional manner.

Concretely, implementing policies that guarantee Diversity ensures that male and female workers live in a positive and serene climate, this affects productivity and corporate reputation, and it also opens up the organization to innovative and out-of-the-box perspectives ensuring a competitive advantage.

Studies conducted by Bersin, Deloitte, McKinsey and Diversity Lab have identified six benefits gained by companies that recognize the strength of leadership that is diverse in terms of gender, age, ethnicity, skills, education, style, personal aspirations, socio-economic status and more. Specifically, the six benefits brought to companies through inclusion and diversity are:

1. improved ability to make decisions that challenge the status quo in managing complexity.

2. increased capacity for company innovation, as differences in thinking, peculiar to teams of diverse composition, are a source of creativity.

3. greater ability of mixed teams to perceive and manage risks.

4. greater attractiveness, involvement, and retention of Millennials.

5. greater customer loyalty of brands that promote diversity.

6. doubling and in some cases tripling of cash flows per employee over three years for companies with diverse leadership (Noema HR, 2021).

The European Commission has also listed five benefits of diversity management:

1. the strengthening of cultural values within the organization.

2. the promotion of the company's image.

3. the increased attractiveness of qualified staff.

4. the improvement of workforce motivation and efficiency.

5. improvement of innovation and creativity (Brambilla, 2018).

In conclusion, it can be said that the issue of valuing diversity has a strong connection with change within companies. The impact on a healthier, happier, and consequently more productive working environment is the most obvious. In the near future, companies will have to measure themselves with

increasing attention and diversification on their areas of improvement in terms of inclusiveness, they will have to do this for ethical, organizational reasons and to maintain their competitiveness.

There is ample evidence that companies that adopt a culture concerned with Diversity Management are able to make better and bolder decisions.

At the same time, there are also issues related to the application of Diversity Management, such as the fact that companies often focus on the policies of introducing diversity in the workplace and calculating the benefits they gain from it, overlooking the fact that what they are doing is a process that needs constant modification and change. In addition, there is a lack of sound approaches and theoretical arguments as to why and how greater diversity can lead to increased business performance. Furthermore, companies see their hiring capacity as subordinate to the environment; faced with a diverse and heterogeneous population, it is more likely to find diversity among a company's human resources, which will focus more on how best to manage them rather than focusing on other problems too.

A study carried out in 2000 by Kirby and Richard revealed problems related to:

- to the perceptions of an inclusive climate, theoretically understood as a sense of belonging, feeling accepted, understood, and valued in a workplace, where in practice, however, harassment and unsuccessful recruitment by certain individuals within the group resulted in the impossibility of fully achieving this objective.

- to the opportunities for advancement, which should provide for equal pay and levels for all employees, but which the presence of qualified and unrepresented groups and the failure to train certain categories have led to an almost 'reverse' discrimination towards those categories that were considered to be advantaged until recently.

- to the distribution of power, as within companies the most important decisions are made exclusively by top management, and this does not mean inclusion. For all the different groups within the company to feel that they belong to a group, there must be equal influence in decision-making.

At the same time, some companies are held back from investing in Diversity Management because of four main types of costs:

- Organizational costs: addressing the issue of diversity means studying a new, and often more structured, personnel management systems strategy, not to mention the costs involved in implementing

diversity policies (in the long run) to ensure adequate training, communication, staff specialization, appropriate working conditions, the inclusion of ad hoc allowances and reporting and control systems.

- Opportunity costs: part of top management and executives' time is in fact "transferred" and directed to the creation of new business solutions; this is a trade-off whereby top managers often have to make choices concerning the allocation of funds among different business functions, such as "human resources", and being aware of the importance of Diversity Management will find themselves with fewer resources for other activities.

- The implicit costs related to cultural change: change may proceed more quickly than planned or may not even take place, and the risk of diversity policy implementation can be traced back to the possible failure of programs to change corporate culture, the success of which requires prolonged time and effort.

- Legal costs: the investment required to implement legal obligations concerning equal opportunities at work and the costs due to the transposition of regulations, the amount of which is influenced not only by the degree of compliance already present in each company but also by internal bureaucratization (Brambilla, 2018).

Thus, it is evident that implementing DM measures in a company in an efficient manner and consistent with the corporate culture can bring numerous benefits both in terms of company performance and objectives and on a social and personal level for employees. But, at the same time, many companies still limit themselves in managing diversity because of the potential disadvantages of implementing DM initiatives and the costs involved.

#### 1.6 Theories about Diversity Management

Over the years, various scholars have focused on the topic of Diversity Management and various conflicting theories have emerged about it.

One of the crucial reasons for companies to implement diversity management is compliance with existing laws (Köllen, 2021). These usually define which dimensions of diversity to focus on, but, often, without specifying either what the organization's commitment to implementing diversity management should be or the type of programs to be implemented. This denotes that companies have a lot of leeway in the procedures that apply.

Knowing about the effect of diversity on performance is essential when developing a diversity management strategy. If diversity strengthens performance of the organization, a firm might choose to implement policies that encourage persistent diversity and increase the incentive for women and people of color to stay. If diversity limits performance, an organization will be interested in learning how policies and practices can be put in place to manage the diversity and contribute to making it productive. In any case, an organization must comprehend how its diversity affects performance. As a result, it is critical for organizations to implement practices and policies that preserve the positive impact of diversity while attempting to reduce the adverse effects.

According to some studies, the approach to diversity management can be legitimized in two different ways. In the first perspective, diversity management has economic value, as it is profitable in monetary terms for companies that adopt this management approach (e.g., Robinson & Dechant, 1997). The second perspective states, that diversity management, or the objectives thereof, are morally praiseworthy and this is what makes it a legitimate management approach. This perspective relates to the idea that individuals or organizations possess a kind of 'responsibility' towards society, humanity, or other individuals (cf. Gilbert et al., 1999). The aforementioned ways of answering the question of the legitimacy of diversity management are not mutually exclusive. This means that diversity management actions can be both 'good' and profitable.

There's really conflicting information about how much diversity can provide a competitive advantage. On the one hand, proponents of the information decision approach (for example, Cox and Blake, 1991; Iles & Hayers, 1997; Richard & Shelor, 2002) assert that when diversity is well managed, it can boost creativity, leading to greater commitment, job satisfaction, as well as a better interface with the market. Supporters of social identity theory, on the other hand (for example, Ely and Thomas, 2001; Ibaarra, 1993; Kanter, 1977; Tafjel, 1982) are more pessimistic. They assert that diversity undermines cohesiveness, lessens communication, and creates in- and out-groups. As a result, there is conflict, distrust, poor quality, an absence of consumer focus, and a lack of market orientation.

Focusing on how diversity management can positively impact an organization in economic terms, two ways can be highlighted. The first is that diversity in the workforce per se has a positive impact on the organization's profitability (Ellis & Keys, 2015; Myers & Dreachslin, 2007). The second one concerns the diversity already present within a company's workforce, since the diversity management practices must ensure that the heterogeneity already present within the workforce can be utilized in the most profitable and beneficial way, for organization's goals, and that it can also unfold its full potential (Chrobot-Mason & Aramovich, 2013; E. S. Ng & Stephenson, 2015). These approaches are related and go hand in hand, as the attraction and retention of a diverse workforce is part of the question of how to 'harness' or manage diversity for maximum profit.

According to studies concerning work group diversity, the latter can be a double-edged sword, on the one hand it can lead to increased business performance and drive innovation, on the other hand it can also make work groups more prone to conflict and reduce their cohesion (Milliken & Martins, 1996). There are review articles that report how group heterogeneity has both negative and positive effects on team performance and organizational performance in general (Horwitz & Horwitz, 2007; Shemla, Meyer et al., 2016). In any case, studies have shown that diversity management programs can be a direct contributor to increasing organizations' performance, partially by empowering diversity's positive effects and partly by compensating for some of its negative effects (Armstrong et al., 2010; Choi & Rainey, 2010). However, studies have shown that organizational diversity is an advantage especially when it comes to creative, as opposed to process-based tasks (Guillaume et al., 2017; E. S. Ng & Stephenson, 2015). Other positive effects of diversity management that have been identified are loyalty, turnover intention, job satisfaction and the climate that is created within the organization (Herring, 2017; Manoharan & Singal, 2017; Singal & Gerde, 2015).

Thanks to these theories, it is understood that it is not so much diversity per se that leads to higher organizational performance, but rather the proper management itself. This fact highlights the importance for an organization of the type of approach to DM that is chosen.

Analyzing the studies concerning diversity management, it can be stated that diversity has a moral value. According to most scholars and practitioners, this kind of approach is a "socially just and morally desirable" one (Lorbiecki & Jack, 2000).

The current state of inequality within organizations is evident from the unequal representations of diversity at different organizational hierarchical levels. For example, in Western countries, there are still predominantly heterosexual, male, white and disability-free managers at the top. The reason this happens is surely that they have easier access to the resources and skills they need to reach the most prestigious positions, and often benefit from stereotypical assumptions about their aptitude and predisposition for these jobs. According to liberal approaches to diversity management, the way to decrease inequality in organizations is to provide members of disadvantaged groups with the same skills and resources that, in principle, members of privileged groups already possess (Gagnon & Cornelius, 2000). Thus, according to this perspective, diversity practices aim to enable members of disadvantaged groups to compete with advantaged ones for higher positions. The focus of this branch of management is thus the provision of equal opportunities, with the aim of achieving certain organizational goals. Radical' approaches to diversity management, on the other hand, state that these latter objectives lead to practices, in addition to the liberal ones, that have a more immediate impact on 'representativeness' in hierarchical and functional areas within organizations (Lorbiecki & Jack, 2000). For example, these approaches include quota systems. Radical approaches, in ethical terms, provide role models to members of disadvantaged groups more quickly. This might make them realize that their demographic does not a priori exclude them from higher positions or specific areas of work, motivating them to follow these role models (Singh et al., 2006).

According to Workforce 2000 Today, a survey published by Towers-Perrin involving 200 human resources executives, more than 92% of those in administrative positions in organizations claim that diversity management policies are closely related to profitability. Tsui and Porter studied the effects of diversity management programs in fifty-five companies in Orange County and California. What they found was that diversity management led to a better understanding of 'diverse' customers, increased employee creativity and commitment to the organization, and improved employee retention and participation within the company.

Wright, Ferris, Hiller, and Kroll argue that companies, through effective diversity management policies, are able to reduce costs and improve stock performance. Effective diversity management provides a competitive advantage over organizations in which this organizational process is not so effective. According to Tanachia Ashikali and Sandra Groeneveld, DM would benefit all and thus boost positive attitudes and behavior of all employees by creating an inclusive work climate.

Employees are more likely to feel affectively committed to an organization if they recognize a large level of social exchange between the company and themselves (Van Knippenberg and Sleebos, 2006). Previous research found a link between employees' perceptions of a supportive work environment and their organizational identification, which held true across gender and ethnic groups (Chrobot-Mason and Aramovich, 2013). Based on the preceding statements, an inclusive culture reinforced by diversity management would have a positive effect on employees' affective commitment. Employees' perceptions of a social exchange would therefore result in beneficial attitudes and behavior for the organization. Employees are more likely to engage in organizational citizenship behavior when they feel supported, valued, and treated fairly as a result of diversity management (Shen et al., 2010). Individual OCB entails assisting others. It includes actions like courtesy, cheerleading, and peacemaking. Helping others includes cooperative and spontaneous behavior such as assisting others or avoiding the development of work-related problems, as well as contributing to interpersonal harmony (Organ, 1997; Paillé, 2013). It also promotes employee cohesion, good relationships with coworkers, and a sense of belonging to the team, which may aid the organization in retaining employees (Paillé, 2013). Furthermore, civic virtue and fair play demonstrate OCB toward the organization (Organ, 1997). Civic virtue implies a devotion to the company manifested in the employee's voluntary behavior. It refers to individuals actively and voluntarily participating in decision making by developing new ideas, suggesting improvements, or protecting the organization. Sportsmanship is the willingness to avoid minor complaints and to be a role model for others (Paillé, 2013; Podsakoff and MacKenzie, 1994).

Wright et al. conducted a study on a sample of 35 companies in order to found guilty of discrimination. The aim was to find out whether they were associated with significant, negative changes in share prices over the period examined, i.e., six years. The results indicated that the share prices of the awarded companies were due to random fluctuations. At the same time, organizations that accepted settlements for damages in discrimination cases experienced significant negative changes in share prices after the announcement was made public. The researchers deduced from their study that diversity management could help sustain competitive advantage by enabling a company to recruit, develop and retain talented and quality employees.

Some studies find a strong link between heterogeneity in groups and performance, while others consider these two variables as unrelated or negatively correlated. For example, Tsui, Egan, and O'Reilly reported their findings in "Being different: relational demography and organizational attachment" and they affirmed that minorities characterized by a different race are characterized by a

higher turnover and also an increase in absenteeism in heterogeneous organizational contexts, since in this kind of context they may feel socially isolated since they often perceive others to be hostile with them. They added also that men in work environments characterized by mixed cultures have lower satisfaction with respect to their job, less self-esteem and as a consequence more depression linked to their job, causing a decrease in the level of commitment to the firm.

Furthermore, it must be added that different kinds of diversity have various effects on groups. For instance, according to a study conducted in 1989 by Zenger and Lawrence, a group with employees of different ages engage less in technical communication, since the exchange of ideas related to the job tasks is facilitated when employees have a good level of nontechnical conversation, in fact this is eased by age similarity. In the same study, the authors affirm that the gender diversity among employees cause a very different personal background which means language differences that may result in difficulties in communicating. Gender diversity, on the other hand, is quite often linked to better performance, in fact Knouse and Dansby in 1999 demonstrated with their study that usually a small percentage of minorities, such as 30% is optimal for an organization, except if the minority is represented by women, since in that case the optimal percentage goes up to 50% given positive effects. In fact, teams with women are characterized by less conflicts. According to the same study, in case of people with disability, the group performance declines as the number of minorities increases, reducing the effectiveness of practices.

Thanks to a high level of heterogeneity in organizations employees can know more among them and give worth to their dissimilarities, since valuing them represents a source for the organization's advantage. In 1980, Adler affirmed that, despite many employees may perceive DM practices such as unuseful, if the interaction among them is well managed, diversity can become a competitive advantage, since it can lead to synergy among members which often results in a better performance, making the final product better than that one produced by the single person. An heterogenous team avoid the negative consequences of groupthink by enhancing creativity and efficiency.

Usually, organizations that are characterized by a strong positive link between diversity and outcomes have well managed the promotion of cultural awareness among the employees, compared to other organizations with a negative correlation between the two variables. Robert Gest and Robert Maranto, in their study about federal organizations, demonstrated that those with more success were those in which the path of minorities people in the organization was well managed and the diversity management policies were transparent for all the members of the organization. Employees who value difference are those who can generate cultural synergy and they also use diversity to their advantage by reaching better outcomes thanks to it. On the other hand, employees who look at diversity in the organization as a negative or unuseful aspect, will find it annoying to favor interaction in order to know differences, and this can lead to conflict, division inside the group, and difficulties in generating a synergy in the team. Another criticism is that diversity could also decrease the cohesion of a group, by making it more inclined to 'group think', this phenomenon is due to conflict but when it is properly managed, an heterogenous organization result in advantages such as more creativity, a better decision-making process, critical evaluation and a productive exchange of ideas and opinions.

Gröschl and Doherty in 1999 published a paper named "Diversity management in practice" in which they reported the results of their study, conducted by analyzing the ethnic minority policies of international hotel chains operating in San Francisco, and they found that the sample hotels provided only a few of the benefits promoted by academics and specialists. They didn't find, as a consequence of diversity, neither an increase in inventiveness, nor an improvement in productivity and quality, while the majority of sample hotels mentioned in the study, demonstrated an increase in sensitivity and an improvement in communication as primary advantages of their initiatives and policies.

Several scholars argued that efforts to simply increase diversity are unlikely to succeed, Thomas in his study of 1990, contends that affirmative action programs are required to become diverse, but he contemporarily admits that this kind of action fails to tackle the root causes of prejudice and inequality and that it has not success in developing the full potential of minority employees.

According to Heilman studies, workers hired through affirmative action are viewed as less qualified than majority ones but also less skilled for the job they hold. Potential explanations for negative responses include the perception that affirmative action hires are selected depending on irrelevant workplace characteristics. As a result, some see affirmative action as a "handout" program that ostensibly ignores the skills of targeted groups. The 'discounting' principle describes this phenomenon in the affirmative action literature, wherein phenotype seems to be the dominant screening criterion. According to empirical investigations, some of the fiercest opposition to affirmative action policies has emerge not even from dominant workplace groups, although from minority groups whoever the policies were meant to help. Furthermore, according to a specific study conducted on women at work, those who believed they were employed because of diversity management initiatives encountered were more stressed, seemed to have lower job satisfaction, and opted less demanding work assignments than women who believed their sex was not a factor in their hiring. Female professionals recruited via affirmative action seemed to be harsher in both formal evaluations of women and affective responses

toward other women. Anyway, the negative impact of preferential recruitment is also dependent on the hire's self-esteem.

In "Managing Cultural Diversity: Implications for Organizational Competitiveness" published in 1991, Cox and Blake sustain that the right diversity management practices can result in a competitive advantage on six areas which are less costs thanks to the reduction of turnover, an organization more flexible, easier acquisition of resources, since an organization characterized by a well-managed diversity increases the reputation facilitating the recruiting process, improve of marketing practices, since a diverse group can respond better to the variety of needs of customers, more creativity which is allowed by the multiples points of view, and more ability in resolving problems since the variety of the group is a stimulator for the employees. Cox and Smolinski in 1994 also demonstrated that a proper diversity management can be a competitive advantage for an organization leading to greater organizational productivity and, ultimately, greater profits.

Furthermore, Donnellon in his study conducted in 1993, found that working in a team with an heterogenous workforce can enlarge networks of people. This can give access to more information in order to reach and strengthen commitment to choices and improves the agility and speed of reaction to new challenges.

According to Latimer, diversity can foster innovation and the ability to manage problems, since some studies demonstrated that teams could manage risks better than single workers, in fact they can handle problems well by having a decision process which is more efficient, since diversity encourages a stronger critical analysis in order to reach decisions.

In a study of 1989 named "Work Group Demography, Social Integration, and Turnover" by O'Reilly, Caldwell and Barnett, authors affirm that heterogeneous groups can lead to negative effects such as an increase in conflict, more abandonment of work, and problems to integrate with others and to communicate. In fact, it is underlined that the homogeneity in demography inside the group diminishes indirectly the turnover rate due to integration problems among employees.

Furthermore, it has been identified, by Kravitz in 2008, the possibility of a "backlash" effect, it means that the groups which are outside of diversity practices may feel like "outsiders," and this can keep them adverse to diversity programs. In fact, a strong DM which is too focused on valuing diversity may lead to an increase of it, by putting pressure on majority groups which were used to a culture focused on homogeneity which let them feel confident. In addition, in "Managing diversity in organizations: An integrative model and agenda for future research" (Guillaume et al., 2014) it is

affirmed that majorities may perceive their organization's overall status as declining and may answer to that by taking distance from the company, since the excessive diversity inside the group can lead people to identify less themselves with the team, and this undermines the feeling of belonginess of the employees.

It is clear that various studies have led to conflicting results regarding the benefits of Diversity Management initiatives in companies. However, what emerges is the fact that DM can bring many benefits to an organization especially if accompanied by the right initiatives, well implemented and consistent with the corporate culture.

## 2. The Gender diversity management

#### 2.1 Gender inequality in companies

#### 2.1.1 Inclusion and stereotypes

For many centuries the term 'woman' has been synonymous with 'good wife and good mother'. Even when, with the advent of industry, they were able to enter the labor market, they were always subjected to worse conditions than men.

The first steps towards greater consideration and equality did not occur until after the Second World War, when factors such as falling birth rates, the introduction of electrical appliances, which relieved work in the home, and the need to contribute to the family income favored an increase in the labor supply for women.

Focusing on the factors and aspects of the activities that contribute to a 'masculine' culture in the company, it can be stated that, companies consider that it is the working hours that are the main unattractive and unfavorable aspect for female workers and female candidates, followed immediately by leadership, language, and manners, which underpin the culture. These areas are, in fact, characterized by production processes that require availability in terms of working hours and, in some cases, even mobility, but there are also stereotypical and prejudiced beliefs that some sectors are thought to be 'masculine'.

Gender inequality still exists in several areas. Obstacles to women's professional dreams are above all of a cultural and social nature: these are those prejudices that indicate certain types of professions as being 'more suitable' for a woman than for a man, because they are close to a certain collective imagination that sees women engaged in lighter and easier jobs. The first consequence of this way of thinking is reflected in the pay envelope and the perception of women in society. Proof of this is the gender pay gap, an indicator of the pay gap between women and men in similar professional roles, and the phenomenon of the so-called glass ceiling. The latter is a metaphor for the invisible barrier of preconceptions that prevents female workers from making career advances and holding top positions in organizations.

Moreover, there are areas of work in which women find it more difficult to succeed. Despite the fact that job sectors offer positions open to candidates of both sexes, the prejudice persists that certain professions are for men and not for women. This is a thought that attributes certain physical and moral qualities to men, such as strength and authority, that are different from those of women such as gentleness, submissiveness, and dedication to caring for others. Generally, these attributions are completely unfounded and discrimination that begins in school, such as the prejudice that men are better at scientific subjects than women, who are better at artistic and literary subjects, can extend into adulthood, precluding women from careers.

Nowadays, motherhood continues to put a brake on a woman's career: 65% of women say they have heard allusions and comments about the negative consequences of motherhood and 41% of women said they were uncomfortable telling their company that they were expecting a child. Parenthood remains a women's issue, a belief that is also reflected in the management of unpaid care work: 54% of women take care of their sons and daughters themselves. The balance between professional and private life is thus affected: women's free time is devoted to caring for the home and children, and the time for other activities is limited.

In fact, discrimination by companies is mainly due to women's motherhood and their greater dedication to family care, since women are faced with a multiplicity of tasks that particularly complicate their access to or development of job opportunities, compared to their male colleagues.

For this reason, the legislator has intervened several times to ensure equal opportunities and treatment between men and women in the workplace.

#### 2.1.2 Gender gap in Italian companies

Giving women more opportunities to work not only supports their emancipation but also strongly affects the world economy. There are many institutions that affirm this: for the Harvard Business Review (2022) a gender balance would lead to \$28 trillion of world GDP by 2025; for the European Institute for Gender Equality (2022) a greater focus on gender equality could a global increase of 10 million new jobs a more sustainable economic growth estimated at 75%; according to the European Institute for Gender Equality, greater gender equality would lead to an increase in the European Union's GDP per capita from 6.1% to 9.6% by 2050; and the International Monetary

Fund adds that using women in strategic positions would allow the economy to grow by 35% globally.

From the Gender Policies Report 2022, the publication of the National Institute for Public Policy Analysis (Inapp), which every year takes a snapshot of gender differences in the world of work, it emerges that in Italy employment is growing, but the gender gap is not closing. In fact, despite having reached 60.5% in recent months, the highest value recorded since 1977, the employment rates of men and women continue to remain distant (69.5% and 51.4% respectively), with a gender gap of 18%. The unemployment rate for women stands at 9.2 per cent against 6.8 per cent for men, a gap that increases for young people between 15 and 24 years of age with rates of 32.8 per cent for girls and 27.7 per cent for boys. In addition, Sebastiano Fadda, president of Inapp stated that female employment is low, mainly precarious, part-time and in low-paying or low-strategy sectors. Comparing the 2022 data with those of 2021 shows that employment rates grow more for men than for women (+1.7% vs. +1.4%) and that unemployment falls more for men (-1.2% vs. -0.9%). Data for 2022 confirm the female specificity of part-time as the main form of entry into employment for women. In fact, out of all contracts activated for women, 49% are part-time, against 26.2% for men. In particular, more than half (51.3%) of permanent contracts for women are part-time. In fact, the condition of 'reinforced weakness', i.e., the presence of two associated critical factors: the precarious contractual form and part time, is typically female. Considering fixed-term employment, this is 38% of women's contracts and 43% of men's, and it is also noticeable that of the former 64% are part-time and of the latter 32%. As an example, according to Inapp, in 2021, the incidence of employed women working part time was higher than men by about 15 percentage points in Europe and by more than 22 points in Italy (Inapp, 2021).

Data on work-life balance also show that the Italian labor market is more rigid than the European average. In fact, women, both in Europe and in Italy, enjoy less flexibility than men. In our country, this is especially noticeable for female university graduates, for whom these indicators are above the EU average. Female workers are less involved in the organization of working hours: in Italy, in 76% of cases, it is the employer alone who decides on the time of entry and exit from work, against an EU average of 57%, compared to male values of 68 and 62% respectively (Redattore Sociale, 2022).

In Italy, one woman out of two works, earns less than their male counterparts, holds only 32% of managerial positions and chooses part-time contracts to a greater extent, despite the fact that they are more educated (58.7% of new graduates are women).

In recent years, the number of women at the top has been growing in Italy: last year, CEO positions occupied by women increased from 18% to 20% (Women in Business, 2022), although there has been a global decrease in the number of female CEOs (-2%). However, the gap remains high: our country ranks 63rd in the World Economic Forum's Global Gender Gap Report 2021, where Iceland, Finland and Norway are in the top places, with a pay gap of around 5.6%, and in third place, only behind Greece and Costa Rica, in the unemployment ranking for young women (Rome Business School, 2023).

According to the E-Work Observatory (2018), female Italian workers have an average salary that is 27.8 per cent lower than that of their male colleagues, with an hourly wage of EUR 15.2 compared to EUR 16.2 for men (Istat, 2022). Moreover, in the South, only one third of women between the ages of 15 and 64 are employed (Rome Business School, 2023).

Rome Business School conducted the research 'Gender gap, diversity and inclusion at work in Italy and around the world'. The researchers analyzed how in Italy there are more women graduates, 58.7%, compared to 41.3% of men, but that once they enter the labor market, they do so to a greater extent on a part-time basis: 49% compared to 26.2% for men (Inapp, 2022), still demonstrating the difficulties they face: stereotypes, discrimination and reconciling work and personal life, particularly after the Covid-19 experience. In fact, it was Covid that completely revolutionized the world of work today: remote work and the use of artificial intelligence in automation continue to grow. In Italy, 24.9 per cent of university graduates (aged between 25 and 34) have a STEM qualification, but the gender gap is very marked: the share rises to 36.8 per cent among men (more than one graduate in three) and falls to 17 per cent among women (one graduate in six) (Rome Business School, 2023).

The data regarding the most in-demand digital professions in 2022, which include robotics engineer, data scientist and cloud architect, are also alarming. In our country, however, only 12% of cloud computing professionals are women, and 15% of data analysts and 26% of artificial intelligence professionals. It should be noted that girls' participation in Stem (Science, Technology, Engineering, Maths) university courses continue to be marginal. In the 2020/2021 academic year, women accounted for 78% of the total number of people enrolled and 80% of people with a degree in the humanities; 67% of people enrolled and 68% of people with a degree in medicine; 55% of people enrolled and graduates in the social sciences; 27% of people enrolled and 30% of people with a degree in engineering and technology (Miur, 2022).

In the light of the inequalities characterizing the Italian landscape, characterized by a disparity in employment, wages and tasks to the disadvantage of women, the National Recovery and Resilience Plan (PNRR) has allocated EUR 400 million to achieve the full economic and social emancipation of women. The National Recovery and Resilience Plan (PNRR) devotes, within the mission 'inclusion and cohesion', particular attention to the need to build a strategy to favor women's employment, since the issues of promoting gender equality and women's empowerment are, from an equal opportunities perspective, of particular relevance for Italy's recovery.

In order to raise the levels of women's participation in the labor market and promote the start-up, development, and consolidation of enterprises with predominantly female participation, the Ministry of Economic Development established the Women's Enterprise Fund with an initial budget of EUR 40 million, to which PNRR resources will be added. The Fund is intended for women's enterprises of any size, with registered and/or operational office in Italy, already established or newly established, for investment programs for the establishment and start-up of a new enterprise or the development and consolidation of existing enterprises.

The female enterprise must have the following characteristics:

i. a co-operative company or partnership in which the number of women members accounts for at least 60% of the share capital.

ii. a corporation in which at least two-thirds of the shares are held by women and at least two-thirds of the board of directors are women.

iii. a sole proprietorship whose owner is a woman.

iv. self-employed.

The issue of equal pay represents one of the constant challenges in the area of gender policies and is an aspect that, from a regulatory point of view, has received strong institutional attention both at European and national level. On this front, Italy, through law 162/2021, which attempts to act on some elements underlying gender pay differentials, has anticipated the changes called for in the proposed European directive. Law 162/2021 introduced important innovations in the area of equal opportunities between men and women in the workplace. In fact, this law introduced the so-called gender certification. This is a voluntary certification that the most virtuous companies can request, from bodies accredited for this purpose, in order to certify that the company organization complies with the principles of gender equality, in terms of pay and career conditions. Companies that have obtained the certification are exempt from paying contribution charges, amounting to 1 per cent on all employees and up to a maximum of EUR 50,000 per year. (Cerved, 2022)

With the decree of 29 April 2022, the Ministry of Equal Opportunities adopted the UNI/PDR 125:2022 standard as the reference standard for verifying the minimum parameters whose achievement is necessary to obtain certification. The certification process requires an audit of corporate practice with reference to six specific areas: culture and strategy, governance, HR processes, growth opportunities and inclusion, pay equity, parental protection, and work-life balance. Specific KPIs are indicated for each area, calibrated on four company size levels: micro enterprises (1 to 9 employees), small enterprises (10 to 49 employees), medium-sized enterprises (50 to 249 employees), large enterprises (250 employees and more). In any case, the UNI/PDR 125:2022 standard asks all organizations, regardless of size level, to define an action plan and a management system suitable to guarantee the KPIs required for certification over time. The aim, therefore, is to induce the entire supply chain, including micro-enterprises with 1 to 9 employees, to govern gender equality issues.

From a more general point of view, there is an immediate comparison with legislative decree 254/2016, which requires public interest entities to publish a non-financial statement describing, among other things, the company's business model of management and organization of its activities, also giving an account of the social and personnel management aspects, including the actions put in place to ensure gender equality.

Further comparative legislation is the regulation of benefit companies, which requires the annual publication of a report on the impact of the company's activities, which also includes relations with employees and collaborators in terms of remuneration and benefits, training and opportunities for personal growth, and the quality of the working environment. Also, for benefit companies, due to the general commitment to the development of responsible, sustainable, and transparent business, the control of the supply chain is a strategic issue.

The assonance between the prescriptions of UNI 125:2022 and the indications of the legislative decree 254/2016 or the law on benefit companies then highlights the possibility of making gender equality promotion and management policies flow into the more general strategy of developing sustainability and ESG issues in business.

European measures are long overdue (such as the new directive on sustainability reporting and corporate due diligence) that will tighten the controls of large companies on the implementation of

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sustainability best practices by their suppliers. From this perspective, the possible choice of small companies to adopt voluntary certification on gender equality would prove useful in anticipating processes, protocols, and disclosures that, within a few years, will become indispensable for maintaining business relations. In this regard, it should be added that companies could consider starting, at the same time as certification, the process of transformation into a benefit company, further accelerating the transition to a business model marked by high sustainability standards. This choice would make it possible to benefit not only from the contribution incentives provided by Law 162/2022, but also from the tax credit recognized by the Aid Decree for companies that become benefit companies by 31 December 2022. Thanks to Article 52 bis of Law Decree 50/2022, also for 2022, the expenses incurred by benefit companies for the transformation (for consultancy and notary costs) can be recognized, for 50% and up to a maximum of EUR 10,000.00, as a tax credit to be used in compensation (IISole24Ore, 2022).

Currently, among the best practices that companies have put in place to support women in this area, there is the flexibility of work organization and leave (part-time, remote work, leave for medical appointments, child illness, specialist visits, nursery, and kindergarten leave); caregiver training, reintegration support and mentorship, psychological support, plus other additional services such as financial support, conventions, breastfeeding room, support in finding babysitters or careers. With regard to best practices adopted by companies on parenting, on the other hand, there is talk of promoting a culture of equal sharing of care responsibilities between parents, encouraging fathers to take full paternity leave and all other leave and leave entitlements, promoting the extension of paternity leave beyond the days provided for by law, and finally, the taking of optional parental leave on an equal basis by both parents. One of the most obvious causes of employment discrimination between men and women in Italy is the huge disparity between maternity and paternity leave. A determining factor not only in recruitment and selection, but also in internal career paths.

The father's leave, in fact, was absent until 2012, by 2021 it had risen to 10 days, increasing by an average of one day per year. Currently, there are legislative proposals that would like to increase paternity leave to 3 paid months, while keeping maternity leave at 5.

Although employment differences and disparities between men and women are still very pronounced in Italy, it is evident that in recent years there has been a great deal of attention to the issue of the gender gap and a commitment to implement strategies aimed at reducing it, which denotes a strong interest in the country in the issue of gender equality and a commitment to help close the gap.

# 2.1.3 Gender gap in hiring, career advancement opportunities and the "glass ceiling" phenomenon

Few women nowadays make careers and get into corporate leadership positions: this sociological phenomenon is called the "glass ceiling". The future director of Family Circle, Gay Bryant, first used the term in 1984 during an interview. The term glass ceiling denotes the set of constraints, of a discriminatory nature, that prevent certain social categories, in this case women, from advancing in their field of work.

Women represent the minority among senior roles. In the private sector mapped by the JobPricing observatory, they make up 17% of executives and 31% of middle managers. Despite reaching a record percentage of women on Boards of Directors in 2021, reaching 41.2%, the vast majority of women are non-executive directors (45% of the total), only 22% of the total are executive directors. Among the various industries there is a strong vertical segregation in the Financial Services sector, as a result of which this sector records the highest gender pay gap (17.2%); in construction, on the other hand, segregation is horizontal, and the pay gap is in favor of women (15.8%) (JobPricing, 2023).

A particular issue is that of maternity, which continues to be perceived as an obstacle not only to professional growth but also to work itself (two years ago, employed women without children accounted for 74%, those with a child under six for 54%). According to Inapp data, after the birth of a child almost 1 in 5 women (18%) between the ages of 18 and 49 no longer work and only 43.6% remain in employment (29% in the South) (Agi, 2023). The prevailing reason is the reconciliation of work and care (52%), followed by the non-renewal of the contract or dismissal (29%) (Alfieri, 2023).

Eurostat photographs a gender pay gap of 13% on average in the European Union in 2020, with Italy ranging from 4.1% in the public sector to 16.5% in the private sector. The peaks in our country are reached in the world of scientific and technical professions (26%) and in finance and insurance (22.9%), the spheres in which there are fewer women. Moreover, the latest Inps annual report, referring to 2021, showed that out of the total of 305 billion euro of pensions paid out, only 44% were paid to women. The difference between men and women in pension income was more than EUR 6,000 (IlSole24Ore, 2023).

The Ansa research commissioned by LinkedIn examined the impact of social conditioning on women's pay and career progression in Covid-19 times. 44% of respondents in Italy believe that women feel less entitled to promotions or salary increases in the workplace, while 2 in 5 (40%) men surveyed said the same. The results also show that the gap separating men and women in the workplace is most pronounced when it comes to salary increases and promotions. In fact, the research reveals that at every level of salary and promotion negotiations, Italian women lag behind men:

• More men admitted to negotiating salary for a new role than women (62% versus 47%).

• More than a third (37%) of the women surveyed have never negotiated a pay rise with their boss by taking a new job because they did not feel comfortable asking for it, compared to 32% of men.

• While more than half (51%) of the men surveyed have asked for a salary increase or promotion outside of their annual review, less than 2 in 5 women (37%) have done the same.

• Among those who have never asked for a salary increase outside their annual review, 48% of female respondents would consider it, compared to more than half (52%) of male respondents.

• On average, female respondents waited longer to ask their employer for a salary increase from the moment they felt they deserved it, compared to male respondents. (18 months versus 15 months).

• One fifth (20%) of the women agreed that having children had an impact on their career progression.

Even when their employer has implemented family friendly policies, the price women are convinced they pay for flexible working includes being seen as less dedicated to work than other employees (42%) and lack of career progression (23%). While 51% of men with children surveyed agreed that their career remained a key priority, 47% of women with children surveyed said the same. Furthermore, the women interviewed felt they needed to meet 53% of the job description in terms of skills/experience to apply for a promotion, whereas the men interviewed only needed to meet 49% (Ansa, 2021).

#### 2.1.4 The Gender pay gap

The term 'Gender Pay Gap' refers to the difference in average gross hourly wages between women and men, which, according to data, is practically always to the disadvantage of the former. To be precise, this definition corresponds to what is technically called the 'unadjusted' Gender Pay Gap, which therefore only considers the average hourly wage. There is also a "corrected" Gender Pay Gap which, in addition to the average hourly wage, considers those individual characteristics that could explain part of the wage gap such as differences in employment, level of education and work experience.

The Italian Public Accounts Observatory of the Cattolica University notes that the average salary for a female university graduate five years after graduation is EUR 1,403 net per month, while a male graduate earns an average of EUR 1,696, generating a difference of EUR 293, or 21% of the female salary.

In Italy, according to the data of the Gender Gap Report 2022 of the Jobpricing Observatory, in the year 2021 it is as if female workers had started to receive their salary from 11 February, having worked regularly since 1 January. In 2021, in fact, the pay gap calculated on the annual RAL in Full Time Equivalent (FTE) in the private sector (excluding private health and education) was 11.2% ( $\epsilon$ 3,500) and 12.2% ( $\epsilon$ 3,800) considering the RGA (Annual Global Remuneration, i.e., including the variable part). Compared to 2020, the wage gap in 2022 widened by 1 percentage point for RAL and 0.9 points for RGA. Nowadays the wage gap grows both as the level of education increases - reaching peaks of around 30% among those with a master's degree - and as age increases, reaching over 17% among those aged 55-64 (JobPricing, 2023). With respect to occupational classification, the gap is smaller among those with a managerial role and greater in the white- and blue-collar category. This does not apply to Top Earners, CEOs, and Executives with Strategic Responsibilities of listed companies: in this segment, the wage gap exceeds 50% in some cases.

Since today it is mostly women who bear the brunt of family care needs - it is no coincidence that we speak of women in the Sandwich Generation, i.e., squeezed between looking after children, grandparents, and work - women are more likely to take part-time jobs. However, if one adds up the weekly working hours of a woman, between paid and unpaid work, it even turns out that women work more hours than men while earning less. Moreover, family responsibilities are often a reason for career

interruptions for women, who thus, on balance, accumulate less experience over time than men, and also risk missing out on key growth opportunities during periods away from work.

Looking at the latest Eurostat survey comparing the unadjusted Gender Pay Gap between EU countries, we learn that on average the gender pay gap is 13%, meaning that women earn on average 13% less per hour than men. However, there are considerable differences between EU countries: at the top is Luxembourg with an (unadjusted) Gender Pay Gap of 0.7%, at the bottom is Lithuania with an (unadjusted) Gender Pay Gap of 22.3%, between these two extremes are the other 26 countries with Italy recording an (unadjusted) Gender Pay Gap of 4.2% (Politini, 2022).

## 2.2 Measures to protect gender equality in Italy

With Law No. 903 of 1977 for the equal treatment of men and women and the establishment in 1983 of the National Committee for the implementation of the principles of equal treatment and equality between men and women workers came the real turning point in the topic of gender diversity.

Equal opportunities between women and men are a fundamental principle of EU law (Directive 2006/54/EC). This applies in all fields of social life, of which the world of work is also a part. In particular, the prohibition of discrimination in the workplace on grounds of sex applies to all persons in both the public and private sector.

According to Article 4(1) of Law No. 125/1991, "direct discrimination" constitutes any act, pact or conduct that produces a prejudicial effect by discriminating against female workers on the grounds of sex and in any case less favorable treatment than that of another worker in a similar situation.

Article 4(2) of the Act determines the existence of 'indirect discrimination' when an apparently neutral provision, criterion, practice, covenant, or conduct puts or is likely to put workers of one sex at a particular disadvantage compared to workers of the other sex, unless it refers to requirements essential to the performance of the job and provided that the objective is legitimate, and the means employed to achieve it are appropriate and necessary.

Harassment, i.e., undesirable conduct on grounds of sex with the purpose or effect of violating the dignity of a female employee and creating an intimidating, hostile, degrading, humiliating or offensive climate, is also considered as discrimination (Art. 4, paragraph 2-bis, Law No. 125/1991).

Unfavorable treatment by the employer that constitutes a reaction to a complaint or action aimed at obtaining compliance with the principle of equal treatment between men and women is also discrimination (Art. 4, c. 2-quater, Law No. 125/1991).

In particular, the employer is prohibited from discriminating on the grounds of sex with regard to:

- access to employment, whether subordinate, self-employed or in any other form, regardless of the method of recruitment and whatever the sector or branch of activity, at all levels of the professional hierarchy, implemented by reference to marital or family status or pregnancy (Art. 1, paras. 1 and 2, Law no. 903/1977; Art. 3, par. 1, Legislative Decree no. 151/2001). Therefore, in public competitions and in the forms of selection carried out, also by third parties, by private employers and public administrations, the required service must necessarily be accompanied by the words "of either sex" (art. 4, paragraph 3, Law no. 125/1991).

- the attribution of qualifications, tasks, and career progression, as well as initiatives in the field of vocational guidance, training, further training and refresher courses with regard to both access and content, as well as membership and activity in an organization of workers or employers, or in any organization whose members exercise a particular profession, and the benefits provided by such organizations (Article 3(1) and Article 1(3), Law No. 903/1977; Article 3(2) and (3), Legislative Decree No. 151/2001);

- remuneration, professional classification. According to Article 2 of Law No. 903/1977, "the worker has the right to the same pay as the worker when the services required are equal or of equal value" (Article 37, Const.).

- job preservation; female workers, like workers, benefit from protection against illegitimate dismissal up to the age of 60 (art. 4, paragraph 2, Law no. 108/1990). In addition, women - under the same conditions as men - can opt for the continuation of the employment relationship - pursuant to Article 6, Law Decree No. 791/1981 - beyond the age of 60 until they reach the maximum contribution period useful to increase the amount of their pension and, in any case, not beyond the age of 65.

If the employer engages in discriminatory conduct, the law provides that the employee, or the trade unions or, on her behalf, the equal opportunities adviser, may lodge an appeal with the employment tribunal of the place where the alleged conduct took place. If the latter considers that the violation complained of exists, it issues a reasoned and immediately enforceable decree ordering the cessation of the unlawful conduct and the removal of the effects thereof, as well as providing, if requested, for compensation for damages, including non-pecuniary damages, within the limits of the evidence provided.

Against the decree issued pursuant to Article 15(1) of Law No. 903/1977, the losing party (both the employee and the employer) may, by virtue of paragraph 3 below, lodge an objection with the court, acting as employment judge, within the peremptory term of 15 days from the communication of the decree.

With regard to the suppression of discrimination, it is possible to avail oneself of the conciliation procedures provided for by collective agreements, or to promote, pursuant to Article 4(4) of Law No. 125/1991, the attempt at conciliation in administrative proceedings pursuant to Article 410 of the Civil Proceedings Code or Article 69-bis of Legislative Decree No. 29/1993 (also through the Equality Adviser), without thereby excluding the possibility of legal action (Wikilabour, n.d).

Moreover, specific measures have been enacted in Italy over the years to protect gender equality, starting with Fornero Law No. 92 of 2012. The measure establishes a tax allowance for companies to hire female professionals, of any age, in sectors characterized by a strong gender inequality. To obtain the deduction, the sectors and professions must have a male-female disparity rate of more than 25 per cent.

Another measure dates back to the end of 2011, the Golfo-Mosca law, which requires listed companies to reserve at least one third of the seats in administrative-decision-making bodies for women. This measure resulted in women representing, for the first time in 2017, more than 33% of corporate boards compared to the total number of members. In February 2020, the Cerved-Fondazione Bellisario observatory, in collaboration with INPS, published a report analyzing the effects of the law on the presence of women in companies. It found that the introduction of quotas led to an increase in the presence of women on the boards of directors of listed companies (36.3%, up from 7.4% pre-quota) and publicly controlled companies (28.4%, up from 11.2% pre-quota) in 2019, but only 14% of companies exceeded the minimum number of women on their boards by at least one. Moreover, the reform had little effect on companies not subject to this obligation, where the presence of women remained at a lower level, just 17.7% in 2019 (Openpolis, 2020).

On 3 December 2021, Italy signed a new law on equal pay (Law 162/2021) that aims to address the gender pay gap and encourage women's participation in the labor market. The law introduces some important changes to the Equal Opportunities Code (Legislative Decree 198/2006), which prohibits any pay discrimination, direct or indirect, for the same job or a job to which equal value is attributed.

The new law, which focuses on transparency and rewards, is in line with the National Recovery and Resilience Plan (NRP), which contains, among other things, a National Strategy for Gender Equality 2021-2026.

With this law there are new reporting obligations for companies with more than 50 employees. In fact, public and private companies with more than 50 employees must publish a report every two years on the employment and remuneration of male and female staff. Companies with fewer than 50 employees may prepare a report on a voluntary basis. The reports must contain data and information on:

- the number of male and female employees employed and recruited during the year and their professional distribution in the organization, as well as the distribution of full-time and part-time contracts
- the amount of total remuneration and bonuses paid to each employee
- the selection and recruitment processes
- the criteria adopted for career advancement and the procedures used for access to professional qualification and management training
- measures to promote work-life balance
- diversity and inclusion policies (PayAnalytics, 2022)

Companies that prepare the equality report and meet certain gender criteria can apply for 'gender equality certification'. This new certification attests the concrete policies and measures taken by employers to reduce the gender gap in relation to growth opportunities in the company, equal pay for equal work, gender equality management policies and maternity protection. The reference practice UNI/PdR 125:2022, published on 16 March 2022, provides the first clarifications on gender equality certification, defining its criteria, technical prescriptions, and functional elements. It identifies 6 assessment areas and outlines for each area a set of specific indicators (KPIs - Key Performance Indicators) to measure the organization's degree of maturity with respect to gender equality. Each area is characterized by a % weight that contributes to measuring the current level of gender equality in the organization and against which improvement over time is measured. These KPIs will be monitored annually and verified every two years to show the improvements achieved through the variety of interventions implemented or corrections activated.

The assessment areas and their weights are set out below:

- culture and strategy 15%
- governance 15%

- HR processes 10%
- opportunities for growth and inclusion of women in the company 20%
- pay equity by gender 20%
- parental protection and work-life balance 20%.

To qualify for certification, an organization must have an overall summary score of at least 60%. (PayAnalytics, 2022).

From 2022, private companies that have obtained gender equality certification will be able to benefit from an exemption from the payment of employer social security contributions. The exemption will be 1% of the amount to be paid, with a maximum limit of EUR 50,000 per company per year. The resources allocated by the Italian government will be EUR 50 million per year. Companies that do not publish the biennial report on equality are not eligible for the exemption.

The law also recognizes a bonus score for private companies that, on 31 December of the year preceding the reference year, have obtained gender equality certification. These companies will enjoy a bonus score when participating in tenders issued by public administrations and for the purpose of granting European, national, and regional public aid and funding.

The new law broadens the definitions of direct and indirect discrimination, and it includes among the potential subjects of direct discrimination not only employees but also candidates in the personnel selection process. The law also broadens the definition of indirect discrimination, which now includes changes to working conditions and working time arrangements that may in fact disadvantage employees or may limit their opportunities to participate in company life or to progress in their careers because of pregnancy or maternity or paternity status, or personal or family care needs, or because of gender or age. Furthermore, under the new law, at least two fifths of the members of the bodies of unlisted companies controlled by public administrations must be of the underrepresented gender. Previously, this requirement was applied only to listed companies.

## 2.3 The Gender Equality Plan

Gender equality is one of the indispensable elements to access funding from the Horizon Europe program. In fact, in order to participate, it is necessary to have a Gender Equality Plan (GEP), a formal document outlining the set of actions and structural changes by which an organization addresses and manages the promotion of gender equality. Through the document, public bodies wishing to participate in the 2022 calls for proposals for research in Europe must account for interventions and programs undertaken to promote work-life balance, gender equality in decision-making processes, equal opportunities in resource recruitment and career paths, and approaches and measures implemented against gender-based violence in the workplace. Currently required for public bodies, but also recommended for companies, as of 2023, the Gender Equality Plan will be mandatory for all organizations, public and private, interested in accessing such funding programs. The Gender Equality Plan (GEP) consists of the implementation of strategic actions aimed at achieving gender equality through a concrete commitment within the working environment. The plan allows eligibility for Horizon Europe programs for public bodies, universities and research institutes and aims to stimulate the development of innovative approaches that promote gender equality. These sectors can therefore play a significant role in improving the inclusion of women at work. The structure of the Gender Equality Plan is characterized by the identification of a set of strategic objectives and targeted actions to ensure a strong impact in terms of gender equality. These actions are to be implemented over a defined period of time and aimed at achieving a predetermined and measurable result.

A Gender Equality Plan (GEP) can be divided into several steps or phases, each of which requires specific types of actions

- an analysis phase, which includes the collection/analysis of gender disaggregated data and procedures, processes, and practices for gender assessment.
- a planning phase, in which objectives are defined, targets are set, actions and measures are planned, resources and responsibilities are allocated, and timeframes are agreed upon.
- an implementation phase, in which activities are implemented and awareness-raising efforts are undertaken.
- a monitoring phase, in which the process and progress is regularly monitored and evaluated (EIGE, 2023).

## 2.4 Bloomberg and the Gender Equality Index

Bloomberg's Gender-Equality Index (GEI) 2022 is a market capitalization-based weighted index that tracks the performance of listed companies that transparently disclose gender diversity data. 484 companies from 11 different sectors and 45 countries, with an aggregate capitalization of USD 16 trillion, were admitted to the Bloomberg Gender-equality index 2023, including 21 Italian companies. (Valored, 2021).

This benchmark index measures gender equality through five criteria: women's leadership and talent pipeline, fair pay and pay equity, inclusive culture, corporate policies against sexual harassment, and recognized women-friendly brand development.

The index cuts across all business sectors and analyses the performance of major listed companies globally by measuring corporate performance on gender equality and inclusion issues, as well as the quality and transparency of their public reporting.

According to Bloomberg, companies that continue to provide an inclusive environment that supports work-life balance, as well as solutions that ensure more flexible work organization, will be more confident and more stable in retaining talent in the workforce and gaining competitive advantages in a scenario that has been profoundly changed, possibly forever.

Moreover, investors' attention is growing on precisely those companies that manage to keep these aspects stable and solid. According to Bloomberg Intelligence's research, monitoring metrics related to the presence of women in organizations, such as the presence of women on boards of directors, results in greater control over strategy and better protection from risk margins.

Index 2021 also collected for the first-time data from countries that only recently entered the universe of women's data monitoring (such as Indonesia and Bermuda). This demonstrates that the number of companies releasing information and data on gender diversity has indeed increased, but the quality of the data collected has also actually improved, proving that the topic is becoming more widespread and is also being dealt with in a more structured and meaningful manner.

## 2.5 The effects of female presence in organizations

According to a study published by Eagly in 2007 titled "Female leadership advantage and disadvantage: resolving the contradictions," female leaders can be more revolutionary than male leaders, because women outperformed men on individual attention, which includes helpful, enticing treatment of subordinates. Female leaders also tend to be notably more transactional than men when it came to reward-based behaviors, though male managers are more inclined to show the two other characteristics of transactional leadership, including a laissez-faire style of leadership. Also, women, compared to men, exhibit styles of leadership that are favorably related to performance, while men, more than females, display approaches that are either barely connected to effectiveness or actually interfere with effectiveness.

Furthermore, according to Eagly (2007) and Kesner (1988), because men have better access to leadership jobs than women, women must be more highly qualified than men to gain positions of leadership and this help them to perform better. Women leaders can show a more efficient set of managerial qualities, owing to their greater qualifications.

Krishnan and Park did a research investigation in 2005 that linked the number of females within the top executives of the Fortune 1000 businesses to their financial success from 1998 to 2000. Several variables associated with control, such as the size of the company as well as sector performance, were considered by these researchers. According to the data, organizations with higher numbers of women in top management had greater financial performance. Other research on significant U.S. corporations in the 1990s found a positive association of the proportion of females on board of executives and the company's financial results.

According to Shrader, Blackburn and Iles, as affirmed in "Women in management and firm financial performance: an exploratory study" of 1997, women's contributions can help businesses be more innovative and change-tolerant, they add also that an heterogenous workforce facilitate strategic changes and women led the firm to superior performances and a financial gain. Moreover, women in leading roles can perform better than man, since they are more able to support others and to keep relationships than men. In addition, females can improve the ability to innovate, and in general they are more satisfied with their job. This study was concluded by showing that firms with a high

percentage of women at managerial positions perform well than others and this is evident from high performance indicators such as ROI, ROE, ROS, and ROA.

In specific research conducted in 1991, Kalleberg and Leicht found that small firms with women in management positions had more efficient strategies and they had success in results such as those led by men, and in 1995 Rosener affirmed that women in leading roles can encourage the firm to be more flexible and risk adverse, helping the firm to gain financially and to develop a competitive advantage.

Luckerath-Rovers (2013) examined the connection between the presence of women in top management and good corporate governance. Indeed, a homogeneous group of directors does not accurately reflect the company in which it operates. The research aimed to find out whether companies with women managers perform better than those without. The composition of the board of directors is often responsible for a company's performance, as the board has the greatest influence on strategic decisionmaking; it also has a supervisory role and controls the total value of the company.

The presence of women could improve team performance because more diverse teams can consider a wider range of perspectives and thus reach better decisions. Better decisions can lead to greater corporate value and better performance. If we assume that certain valuable qualities are not equally distributed among demographic groups (men and women), society by excluding women from management roles structurally negates certain qualities. Companies with a higher degree of diversity within the board also give an important positive signal to potential employees of the company. When diversity within the company and its management reflect the diversity within the relevant market, the company is better able to serve and maintain that market.

Catalyst (2007) examined the relationship between women on boards and corporate financial performance by classifying 520 companies according to the average percentage of women on boards and then divided them into four quartiles, each comprising 130 companies. The study aims to compare the financial performance of companies in the first quartile, which represent those with the highest percentage of women on their boards, with those in the lowest quartile, i.e., companies with the lowest percentage of women on their boards. The financial measures used in the analysis are return on equity (ROE), return on sales (ROS) and return on capital employed (ROIC). The study found that the ROS-based financial performance of the top quartile is at least 41% higher than that of the bottom quartile and is even higher, at 64%, for ROIC.

McKinsey (2007), on the other hand, in its research compares the most gender-diverse companies with the average for the entire industry, including in its study 89 companies chosen using three criteria for

diversity: the proportion of female (executive) directors, the presence of more than two women in the role of non-executive directors, and finally the focus on ("special attention to") diversity in the annual report. The financial performance of these companies and the sector in which they operate was measured by return on equity (ROE), operating profit (EBIT) and share price growth. It was found that ROE increased by 11% for companies with more diversity, EBIT by 91% and share price growth by 36%. With regard to the averages of return on equity (ROE), return on sales (ROS) and return on capital employed (ROIC) for the two groups of companies, it was found that companies with female managers score, on average, perform better than companies without female directors. The difference is greater for ROE: companies with female managers have an average ROE of 23.3% while companies without women have an ROE of only 11.1%, which represents a significant difference of 110%. The ROS and ROIC for companies with women in management positions are, respectively, 17% and 54% higher than for companies without women directors.

Furthermore, Perryman et al. (2015) examined how increases in gender diversity in executive roles can influence enterprise risk management, performance, and gender-based pay gaps at the executive level. Indeed, the research findings suggest that increased gender diversity not only reduces enterprise risk and improves business performance, but also plays a role in reducing the pay gap in top management.

Thus, further efforts by companies to improve the representation of female executives are considered both socially necessary and beneficial to the performance of the company as a whole.

According to a 2019 report by the International Labour Organisation (ILO), companies that implement initiatives to promote gender diversity, particularly at the senior level, achieve better results, including a significant increase in profits.

The report 'Women in Business and Management Roles: A Blueprint for Change' analyzed the results of a survey involving nearly 13,000 companies in 70 countries. More than 57 per cent of respondents agreed that gender diversity initiatives have improved business results. Almost three quarters of the companies that monitored the impacts of gender diversity in the management of their businesses reported profit increases between 5 and 20 per cent, with the majority of these reporting increases between 10 and 15 per cent. Almost 57 per cent of the respondents also stated that this approach facilitates the attraction and retention of talent in companies. In addition, over 54 per cent of respondents said they saw improvements in terms of creativity, innovation and openness, and a similar percentage said that gender-inclusive approaches improved their company's reputation, while almost 37 per cent noted an impact in terms of being better prepared to understand customer needs.

Gender balance in senior management, and in the workforce in general, is achieved with a 40-60 ratio of workers of both sexes. The report states that the beneficial effects of gender diversity begin to accrue when women hold 30 per cent of management and leadership positions (ILO, 2019).

Also, according to a 2018 Ansa survey, the right gender balance in companies brings numerous concrete benefits. The presence of women positively influences the performance of companies by creating wealth and enhancing business. Indeed, for optimal performance, the perfect proportion in teams is between 40% and 60%. This is what emerges from the "Gender Balance" study carried out by the Sodexo Group and presented on 8 March on the occasion of Women's Day, examining data received from 50 thousand managers from 70 international companies over the five-year period 2011-2016, with the aim of investigating the positive effects of gender balance in companies. The most important data concern company productivity and employee participation rates, which in companies where gender balance is respected increase by 8 and 12 per cent respectively. Another indicative value is the increase in workplace safety where, thanks to women, fewer accidents occur and safety increases by 12 per cent. There was also an 8 per cent increase over the average employee retention rate, and a greater presence of women also ensures customer loyalty, with a 9 per cent increase in the ability to retain at least 90 per cent of their customers. This study also found that gender balance, along with an inclusive culture, helps to improve innovation, engagement, and productivity, proving that men and women together are more successful and female talent, commitment and perseverance are a valuable asset to companies (Ansa, 2018).

Finally, research by the McKinsey Global Institute has calculated that globally, women generate 37 per cent of GDP, despite representing 50 per cent of the working-age population (McKinsey, 2020).

It is clear that the presence of women in companies is not only socially and ethically relevant, but also brings considerable benefits and advantages at the production level.

## 3. Empirical research: Comparative case studies on Gender Diversity Management

## 3.1 Objectives of the analysis

The aim of this exploratory qualitative study is to demonstrate the importance which Diversity Management actually has in Italian companies, by describing the current situation of the gender gap within two Italian organizations which operate globally, taking all occupational levels as a reference and not only top management.

As previously anticipated, the focus of the empirical study is on two Italian companies, Sonepar Italia and Schneider Electric Italia, that are multinationals operating globally in the electrical equipment sector, currently engaged in the promotion of Diversity Management practices, where Diversity and Inclusion are at the core of the global strategy.

The research is aimed at understanding the organizational challenges that these companies are facing when it comes to Gender Diversity Management, what are the advantages and disadvantages associated with it, the strategies and initiatives adopted and the future prospects of this phenomenon.

The choice of these two multinationals is no coincidence; they operate in the electrical equipment sector, which is historically a sector far removed from the female world and not particularly attractive to women, as women hold fewer technical degrees in this field than men. It was precisely this lack of attractiveness of the sector for women that prompted me to choose to understand how these two companies are moving to make themselves more attractive in the eyes of female candidates and how much difficulty they are experiencing in managing their Diversity Management policy in general.

Moreover, as companies that operate globally, for them it is also important from a reputational point of view to move towards the integration and enhancement of diversity in an increasingly heterogeneous and globalized world.

## 3.2 Research methodology

With the help of interviews with HR Italy of these two multinationals, the goal of this research is to understand better the strategies currently adopted by Sonepar Italia and Schneider Electric Italia in order to reduce the gender gap in the organization, the organizational challenges that Gender Diversity Management entails for the Companies and the future prospects of this phenomenon in the contexts analyzed, the study will shed more light on the reasons behind DM company practices with regard to gender equality, future perspectives and the effects that full gender equality in companies could have.

By conducting five semi-structured interviews with HR figures from both companies, the main research question that will be attempted to be answered is: What is the current situation of the gender gap in companies and what are the organizational challenges facing companies when it comes to Gender Diversity Management?

In addition, for a more detailed analysis of the phenomenon, the following sub-questions will also be answered through the interviews, in order to better analyze the effects of Diversity Management policies at company level:

- What are the advantages of Gender Diversity Management?
- What strategies are companies adopting to reduce the gender gap?
- What are the future prospects of this phenomenon?

This qualitative research was conducted through five semi-structured interviews with HR roles in both organizations. In particular, three people were interviewed in Sonepar Italy, covering the following roles: HR Vice President Human Resources, HR Manager Organisation Training and Development Human Resources and HR Human Resources Business Partner Central Division, and two HR Business Partners of Schneider Electric Italy.

People in HR roles in the two companies were chosen because they manage the company's Diversity Management policies and can therefore provide their point of view based on their direct experience, in a timely and detailed manner.

Out of five interviewees, four were women. This choice was made specifically given the focus of the research on Gender Diversity Management, so that they could contribute not only their testimony

regarding Diversity Management initiatives and policies in the company, but also their personal point of view according to the inclusion they themselves perceive in the company context.

All interviewees were contacted by e-mail, in which the list of interview questions and the informed consent were attached. The interviews lasted on average 35 minutes and took place between April and May via Microsoft Teams according to the availability of the interviewees. Although the questions provided served to set and guide the interview, the interviewees often freely added their views and new details based on their personal experience in the company.

Interview	Organization	Respondent's	Date	Type of	Duration
		Role		interview	
1	Sonepar Italia	HR Vice	28/04/2023	Video Call-	48:46
		President Human		Microsoft	
		Resources		Teams	
		Sonepar Italia			
2	Sonepar Italia	HR Human	28/04/2023	Video Call-	33:53
		Resources		Microsoft	
		Business Partner		Teams	
		Division Center			
		Italy			
3	Schneider	HR Business	03/05/2023	Video Call-	34:57
	Electric Italia	Partner Schneider		Microsoft	
		Electric		Teams	
4	Sonepar Italia	HR Organisation	04/05/2023	Video Call-	20:27
		Training and		Microsoft	
		Development		Teams	
		Manager			
5	Schneider	HR Business	04/05/2023	Video Call-	29:40
	Electric Italia	Partner Schneider		Microsoft	
		Electric		Teams	

Table 3.1. Interview Sample (Source: own elaboration)

Sample of questions asked during the interviews

What is your direct experience and what difficulties do you find, or have you found with the topic of Diversity and Inclusion?

According to your point of view, what is the state of Diversity in today's companies in Italy with particular reference to the gender gap? And what is the current situation in Sonepar Italy/Schneider Electric Italy?

In terms of best practices, what is Sonepar Italia/Schneider Electric Italia doing to promote diversity and inclusion in the company? And specifically, what is it doing to reduce the gender gap?

What are the main benefits of an inclusive work environment?

What are the main difficulties faced when it comes to reducing the gender gap in the company?

How do you think the D&I scenario and in particular the gender gap will evolve in the coming years?

Table 3.2 Sample of questions of the interviews (Source: own elaboration)

After an initial presentation of the purpose of the research, the first question concerned the direct experience of the person, the respondent was asked what difficulties he or she had encountered with the topic of Diversity and Inclusion in the course of his or her work experience, in particular whether he or she had ever perceived the gender gap in the company.

This was followed by more specific questions in relation to the two multinationals considered in the study. As a second question, a personal opinion was asked about the current state of Diversity Management in Italian companies and in particular in the interviewee's company context.

Then, a more specific question was asked to find out about the company best practices on Diversity & Inclusion adopted by the organization involved in the research.

The fourth question was more focused on the direct experience of the interviewee, a personal opinion was asked about the advantages of working in a more inclusive environment.

The fifth question aimed to find out about the difficulties encountered at an organizational level in the company in implementing Diversity Management practices and in fostering greater diversity and inclusion in the company context. Finally, the last question left some space for the respondent's personal opinion, regarding the future implications of Diversity & Inclusion, both at a national level and in the specific company context, with particular reference to the gender gap.

For the sake of practicality and to maintain greater focus during the meetings, the interviews were all recorded. They were then transcribed in order to facilitate their study and interpretation.

The answers were classified according to the topics of relevance, considering that during the analysis phase, some similarities emerged in the answers that I thought it appropriate to highlight. In the analysis phase, a careful study was made of the sample and the responses collected and transcribed.

The entire process - between availability requests, interviews, transcription, and processing - took about a month.

#### 3.3 Case Study Schneider Electric Italia

The origins of the company are the steel factories of Schneider-Creusot and other industrial companies. Through strategic acquisitions, the business shifted its attention from steel and shipbuilding to power from 1981 to 1997.

In the beginning, in 1836, the name was Schneider & Cie. In May 1999, it was renamed Schneider Electric after the acquisition of Lexel.

Schneider Electric SE's strength on the market is its philosophy that access to energy and digital technologies is a basic human right. Indeed, the company's motto is Life is On to enable everyone, anytime, anywhere to make the most of their energy resources.

This multinational company provides digital energy and automation solutions to increase efficiency and sustainability, combining the world's leading energy technologies, real-time automation, software, and services into integrated solutions for homes, buildings, data centers, infrastructure, and industry. In fact, the company's mission is to become the digital partner for sustainability and efficiency.

One of their main goals is to create an open, global, and innovative community that shares their core purpose and values of empowerment and inclusion.

Fortune Global 500 firm Schneider Electric SE is listed on the Euronext Exchange and a part within the Euro Stoxx 50 stock market index.

In addition, Schneider Electric is the parent company of Square D, APC, and others. It is also a research company, devoting 5% of its turnover to research and development.

Schneider Electric's headquarters are located in Rueil-Malmaison, France and as of 2019, Schneider Electric operates two business units: energy management and industrial automation.

The power management business provides products for medium voltage power management and grid automation, low voltage and building automation, secure power, and cooling applications.

The Industrial Automation business provides products, software, and services to support the digital transformation of industry. The Services business comprises three divisions: Global Field Services, Energy and Sustainability Services and Smart grid Services.

This international company fully embraces diversity and views it as essential to success and employee motivation. According to Schneider's Diversity and Inclusion Policy, in terms of strategy, Schneider Electric values diversity. It is a vital component of the company's competitive advantage since it boosts productivity while encouraging employees' innovation and openness.

Schneider Electric has been recognized by the Financial Times, Refinitiv and Forbes as a global benchmark for diversity, equity, and inclusion in the workplace (DEI). The company received three awards, reflecting both the company's long-standing commitment to creating a fairer and more equitable society and the tangible, practical impact of the choices it makes on its workforce.

Among the 41 businesses in its category, Schneider Electric was placed 16th in 2022 by the Financial Times' Diversity Leaders 2023 list. This is the fourth consecutive year that Schneider Electric has appeared in the prestigious ranking, a testament to the resilience and consistency of the company's efforts to promote diversity, equality, and inclusion among its 128,000 employees globally.

The Financial Times' annual ranking assesses companies' success in promoting all types of diversity in the workplace. It is compiled from data from an independent survey of more than 100,000 employees of companies with at least 250 employees in 16 European countries. Only the 850 businesses with the best marks received a spot in the final list of the most recent Diversity Leaders, which was compiled from a total of over 300,000 evaluations. Refinitiv's annual Diversity and Inclusion Index ranks the 100 largest publicly traded enterprises which contribute best to foster diversity and inclusion among their workforces, confirmed the findings of the Financial Times. In the metric, Schneider Electric did well, coming in second in its sector, fifth in France, and 61st overall.

For its index, Refinitiv assessed 12,000 companies on four axes - Diversity, Inclusion, People Development and Disputes. This data is commonly used by professionals in the financial world to assess the risks and opportunities related to the sustainability of the companies they choose to invest in, as well as to give impetus to investment strategies geared towards valuing diversity. Based on these results, Schneider Electric was also named one of the world's best companies for women for the year 2022 by Forbes. Compiled from information gathered by interviewing 85,000 women working in multinational companies in 36 countries, the Forbes ranking identifies the top 400 companies that excel

in promoting women in the workplace. Schneider Electric was ranked 11th among the 30 companies in the engineering and manufacturing sector and 13th among the 51 French companies included in the list.

Schneider Electric is one of ten "Impact 10x10x10 Champion" companies in the UN Women initiative known as HeForShe. It means they have committed to leading by example as agents of change to highlight the importance of promoting gender equality in the workplace.

HeForShe, launched on 20 September 2014 at the United Nations, is an invitation to men and people of all genders to show solidarity with women in order to create a bold, visible, and united force for gender equality. The HeForShe IMPACT 10X10X10 initiative engages 10 heads of state, CEOs, and universities in a journey to achieve equality and create a world of gender equality for all. At Schneider Electric, more than 15,000 employees have 'signed' the #HeForShe pledge, which calls on men to be protagonists in promoting equal opportunities through cultural change. The company has created a D&I Board made up of twelve of the industry's most influential people as a UN Women HeForShe Corporate IMPACT champion. The board serves as both an internal as well as external D&I champion and a point of reference for the worldwide strategy. In Italy, too, the path has recently been characterized by a series of initiatives to support female employees who are mothers, including initiatives such as the extension of parental leave days for fathers, welfare contributions for the birth of children, flexible working hours (such as fixed shifts in production) and changes to work contracts (vertical or horizontal part time) and the extension of tasks enabled by smart working.

For women, in addition to smart working, mentorship and further development programs are in place, and since 2015 they have joined the annual equal pay campaign, in line with our Planet & Society Baromether commitments. Gender pay equality is also one of the variables on which they measure progress in terms of sustainable growth.

The Planet & Society sets out on a three-yearly basis the goals the company wants to achieve in terms of business sustainability, social citizenship, and ethics. Compensation equity was added to the Schneider metric Impact on Sustainability, that establishes and measures annually 21 global key performance indicators (KPIs) employee short-term reward plans. The principle of parity of pay for the same job is at the heart of the compensation philosophy of the Company, with the goal of encouraging the aim of fostering equity, consistency, and more clarity in the compensation systems. "Equal pay for equal work" in Schneider Electric is defined as everyone for the expertise they have, and to value their contribution on an equal basis.

Schneider Electric's purpose is to share this vision to all stakeholders concerned in the implementation of the plan of action, to facilitate the implementation successfully. For that purpose, DEI and Reward created numerous training materials, which included e-Learning modules and white papers. Company's focus is to help human resources managers and employees to learn about the various ways in which gender biases may affect reward decisions and tools for making knowledgeable and fair pay decisions.

The pay gap definition is the difference in pay between an individual and the median wage of same job family and the same level of the opposite gender.

The largest individual wage discrepancies were therefore the focus of the actions, which were prioritized. In order to close the discovered pay discrepancies, the Company integrated the pay equity adjustment procedure into the annual salary review process in 2018.

The firm did this by using the Human Resources Information System (HRIS).

By 2025, Schneider Electric promises to lower the pay gap for all employees to 1% and then keep it there.



Figure 3.1. Sustainable HR Ecosystem Framework (source: Schneider Electric website)

Among the elements taken into consideration are not only competitive salaries and strong career advancement opportunities, but also flexible working arrangements, which, according to experts, are key to correcting gender inequalities. Schneider Electric's ambition with regard to diversity, equity, inclusion, and well-being is to be the most welcoming and inclusive company in the world. The organization aims to achieve this by providing fair opportunities to everyone, everywhere, regardless of generation, gender, disability, background, beliefs, and by ensuring that all employees have the opportunity to be valued and a safe environment in which to perform at their best.

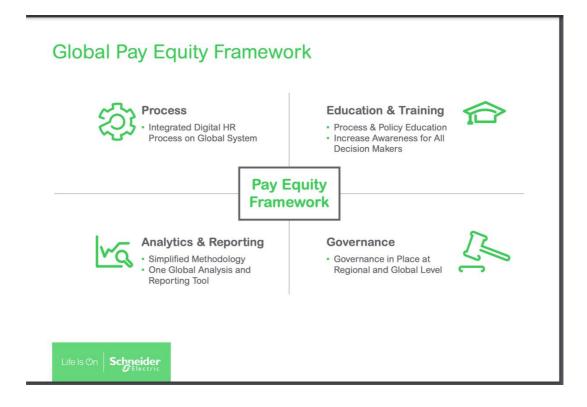


Figure 3.2. Global Pay Equity Framework (source: Schneider Electric website)

In order to learn more about the Diversity Management practices adopted at Schneider Electric Italia and the French multinational's focus on diversity and inclusiveness, two HR Business Partners of Schneider Electric Italia were interviewed.

3.3.1 Diversity Management in Schneider Electric Italy and the difficulties encountered in the path

As it is possible to read on the Diversity and Inclusion Policy, one of the core values of Schneider Electric is "Embrace Different". The Policy states "For us, a stranger is simply a friend we have not

yet met" (Schneider Electric, 2022). They believe in equality of opportunities for everybody, wherever. That signifies embracing people of all backgrounds, age groups and cultural backgrounds, encompassing diverse views and different outlooks and acknowledging prejudices when seen, so that every person can feel uniquely valued and secure in giving their best.

Fabiola Carini, HR Business Partner of Schneider Electric Italia, explains the reasons why Schneider Electric has started to focus on the issue of Diversity Management: "In general in the market what I am seeing, also through announcements on LinkedIn, is that in companies, starting from multinationals to the most structured ones, the issue of inclusion is more and more a focus theme. Especially in public limited companies, since public limited companies today are very focused on the topic of inclusion and sustainability. Among the items in sustainability reports there is the topic of inclusiveness and gender equality. Often this is expressed in a company through practices and processes, I'm thinking of all the welfare systems in the company to reconcile work/life balance that concern men and women and consider people's lives at 360°. Often at Schneider Electric we participate in working groups with different companies to understand what inclusive practices can be brought into the company. There is no longer a conflict of companies where everyone keeps what they do to themselves, rather there is a sharing because that would be a poor war. All multinationals put in place similar practices, what makes the difference is the consistency between practices, processes, and corporate culture, this is the balance that at Schneider we try to put in place" (Fabiola Carini, 2023).

Therefore, as we can see, especially with regard to large multinational companies, adapting to the global market by incorporating Diversity Management practices was above all a necessity, given that, to date, all large companies are aligned in this direction and also given the importance given to sustainability in corporate balance sheets.

Francesca Ravellino, HR Business Partner Schneider Electric Italy adds that Schneider Electric moved much earlier than other companies in its attention to diversity and inclusion issues: "Schneider was quite early in the market context in Italy, it started at least 15 years ago with Diversity Management" (Francesca Ravellino, 2023).

Although this multinational company acted years ago to promote diversity and inclusion in the company, it found it quite difficult to include women in the company. This is because the company is part of the electrical equipment sector, which is particularly technical and culturally and historically oriented mostly towards men. In fact, Fabiola Carini explains that: "The goal is to arrive every year at hiring 50% women and 50% men and in our sector it is very difficult because in being metalworkers with the electrical address of automation, women are extinct by nature; therefore, it is a market that

has 70% of men and 30% of women, we have to arrive at 50 and 50 so sometimes it seems that we hire more women than men but in reality we have to compensate for an intrinsic divergence in our sector (...) Today in every team there is at least one woman, and in the more technical contexts it is more difficult because it is hard to find a female engineer, even though the number of female members has increased, but this is because many companies have the same objective of 50-50 recruitment, today being a woman means having more to offer as companies are more attentive to equality" (Fabiola Carini, 2023).

Also Francesca Ravellino names as one of the main difficulties in narrowing the gender gap, the lack of attractiveness of the sector in which Schneider Electric operates for women, mainly due to the scarcity of technical diplomas and degrees in engineering obtained by women: "In terms of balancing the percentage of how many men and how many women you have in the company, it's been 10 years that every year we allocate another budget to make investments in terms of human resources, to increase the number of employees, and in allocating these investments we divide 80% to women and 20% to men because otherwise we would not succeed given the lack of female engineers and ITIS graduates (...) 7 years ago it was a problem of culture, but today there is no lack of will, there is a problem of starting numbers" (Francesca Ravellino, 2023).

In spite of this, the company is working to ensure that women, even without technical diplomas or engineering degrees, can join the company. In fact, Fabiola Carini explains that: "In order to be more inclusive we created a few years ago the Academy, so we give recent graduates or new graduates an immersive experience where we pay board and lodging for about three months and these people follow a training course where we tell them how Schneider is made, what is the role they will be doing and the training part on how to become professionals and soft skills before everyone goes to their geographical area and within their role. This helps a lot to create a community. It allows us to be more inclusive because at this point the search requirements are lowered and we ensure equity within the Academy itself as the composition of the people who participate in the Academy".

In addition, to make the sector more attractive to female candidates, the company works a lot on the design of the job advertisements: "In each of our advertisements we underline what the company values are, what the mission is, and the part related to inclusiveness. Even on the company website there is a part dedicated to Schneider's value proposition on the people side, so there is the theme of inclusiveness, of being meaningful, so giving meaning to the work that people do and of being inclusive and innovative" (Fabiola Carini, 2023).

## 3.3.2 Schneider Electric's HR Governance Structure for Diversity Management

The global DEI team at Schneider Electric collaborates closely with a variety of organizations and stakeholders to implement the DEI (Diversity, Equity, and Inclusion) plan.

• Board DEI: The DEI Board, an international organization of top executives representing various businesses and operational zones, serves as a forum for discussion for the worldwide DEI strategy, and its members agree to act as DEI champions and advocates. Three members of the Executive Committee sponsor the board, which is gender balanced.

• Human Resources (HR) group: The CHRO and all HR directors for operations, businesses, and worldwide functions are members of this group. They serve as an advocate and sounding board for the global DEI strategy and initiatives. To allow local country, regional, and entity teams to contribute to the Company's global DEI vision, representatives of the HR Committee create DEI ambitions, drive investment in, and deliver local action plans. Members of the HR Committee make sure the necessary geographic and entity DEI Leaders are placed in order to produce the desired results.

• Global DEI team: The Global DEI team, which works with the DEI network and reports to the internal DEI Board and Human Resources Committee, establishes the strategy and is responsible for implementing the DEI transformation. In addition to the larger HR and Communication ecosystem, the team closely collaborates on projects with the HR Center of Excellences (Talent Acquisition, Talent Management, Learning and Rewards), Global Sustainability, Internal Communications, and Marketing and Employer Branding teams.

• Local and entity-level DEI leaders: DEI leaders and ambassadors are in charge of creating and implementing local, regional, and entity-level DEI action plans and change management that adhere to local laws and circumstances peculiar to their respective countries. They are accountable for collaborating with regional HR teams, HR Centers of Excellence (Talent Acquisition, Talent Management, Rewards), internal communications, and employer branding to drive local action plans in support of the overall strategy. They are nominated by HR Committee members. These leaders and diplomats meet twice a month to discuss similar issues as members of the international DEI network.

- ERNs (Employee Resource Networks): ERNs are teams of employees who come together to debate and pursue a certain agenda and who have comparable backgrounds, experiences, traits, and/or passions. All employees are welcome to join ERNs, which are employee-driven and voluntary. Both worldwide and locally, ERNs are created. Schneider Electric has ERNs devoted to inclusion of LGBT+ people as well as women, recent graduates, Black professionals, and others. ERNs are essential for delivering bottom-up transformation.
- The global and local Talent Acquisition, Talent Management, Rewards, and Learning teams within HR Centers of Excellence (CoEs) are accountable and responsible for implementing Inclusion and Care by Design at all phases of the Total Employee Experience. In addition to building an inclusive and caring culture at all levels of the business, those legislation, framework, and procedure leaders have a responsibility to guarantee equality in local and global people processes and policies.
- GSC, global marketing, SE digital, sustainability, etc. are examples of global functions. Global functions will be responsible for implementing Inclusion and Care by Design into the business and personnel procedures they own and manage as business process owners. In order to find optimal procedures, areas for development, commit to hardwiring inclusivity and caring into their domain, global functions have responsibility for collaborating with global, local, and entity DEI executives, HR teams, and external partners.
- Teams from the company's Investor Relations, Compliance, Corporate Citizenship, Communications, and Employer Branding work together to deliver, implement, and promote the overarching DEI vision and goal (Schneider Electric website, 2022).

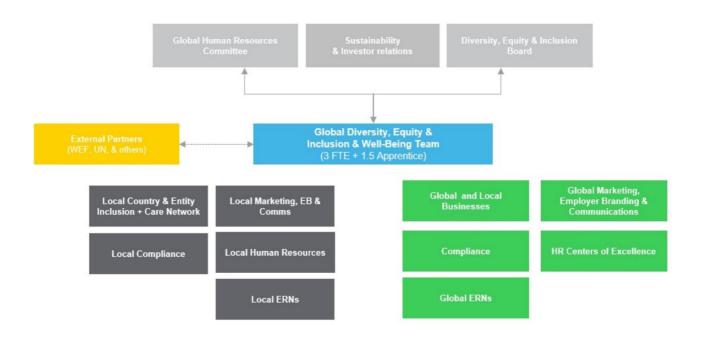


Figure 3.3. Schneider Electric Inclusion + Care Governance Model (source: Schneider Electric website)

## 3.3.3 Schneider Electric Italy's strategy and initiatives for a successful Diversity Management policy

Regarding Schneider Electric's objectives and guidelines on Diversity and Inclusion, it is possible to read them in the company policy available on the website:

1. We treat people with respect and ensure all talents feel uniquely valued and safe.

2. We #EmbraceDifferent\*, at all levels of the organization, because it is good for business and innovation, and because we want to reflect the communities where we live and operate.

3. We set high ambitions, not quotas, and hardwire inclusion and care into our processes and behaviors to ensure equitable access and opportunities for all.

4. We strive for a diverse pool of talents for every opportunity, internally and externally, and ultimately make talent decisions based on overall qualifications.

5. We trust and hold our leaders accountable to act with inclusion and care and make every decision count.

\*Visible and non-visible differences, including cognition, experience, education, gender, age, nationality, ethnicity, sexual orientation, disability status, religious belief, socio-economic background, life experience, location, etc. (additional dimensions of diversity may apply to specific countries or regions) (Schneider Electric, 2022).

Francesca Ravellino, HR Business Partner Schneider Electric Italia, explains that in Schneider Electric Italia the Diversity management action plan is led by a specialized figure: "One of the first things we did was to identify at global and local level a contact person who would take responsibility for coordinating all the activities on the subject, ensuring that the activities were developed and monitoring them over time. This was to create a more present structure, indispensable for change management practices, to have more control and awareness of what is happening. Being a multi-control, it was important, from the moment in which the central corporate decides, to make sure that the central policy was respected in all countries. The D&I leader interfaced locally and globally with the whole group all the time and then brought the plan of action back to the local level having a possibility of local

customization, as each country has its own political and legislative system. The D&I leader brought various action plans that evolved over time".

Francesca Ravellino goes on to describe the main initiatives taken on Gender Diversity Management for the inclusion of women in the company: "I will describe them by dividing soft and hard, the part more related to cultural change management and the part where we forced and tried to do top-down activities. On the soft side there was an important focus on well-being, trying to bring elements of wellbeing into the life of the employee by focusing a lot on being a woman as a mother, a professional and a gender, within a sector that was historically male for academic and scholastic reasons, in the past there were few engineers and technicians. Examples of well-being were yoga in the company, since a survey showed that yoga was something that a percentage of women wanted to practice during their lunch break. In addition, we signed up with an external company for a kind of master course for mothers. A training course for when a woman becomes a mother (...) To make women understand that in that period when she takes time off work, the company does not abandon her but pays her for the master's degree that she can do during maternity leave, and we do it because the company believes that during that time the woman can train skills like she never did in her life, thanks to the change management that maternity brings, and then she can bring all those soft skills back to the company when she comes back to work. We set up a series of coaching sessions for women who felt they had issues to deal with and develop, and we always did this after microanalyses, surveys, and interviews done twice a year. On the hard side (...) actions on gender pay equity, so at the salary level we allocate a budget every year which is dedicated to employees, that is part of the annual process called salary review, so every year the group gives us a sum that we can then allocate as a salary increase for each employee with the meritocracy filter. Alongside this budget we have another budget dedicated only to women to close the gender gap on the salary side" (Francesca Ravellino, 2023).

Fabiola Carini adds that among the strategies to favor the inclusion of women in the company, attention to processes is fundamental: "As far as the process part is concerned, we have the pay/equity part, so every year we do a salary review whereby we give salary increases to people and in these increases we pay attention to the pay equity part, if men and women play the same role; therefore, if they have the same weight of position their salaries must be as aligned as possible in terms of experience. Where there are discrepancies, we invest a budget to ensure that these discrepancies are compensated for over time. The other process is the recruiting process, we make sure that there are 50 per cent women and 50 per cent men hired, and then there are all the internal processes, for example, of performance appraisal where in addition to the results we bring we are also appraised and evaluated on company values and inclusion is one of the core values we have."

Furthermore, the inclusion and elimination of inequality between men and women in Schneider Electric Italia is also evident in the focus on parenting for both sexes, in fact Fabiola Carini continues by explaining that "In Schneider practical side we have activated a policy called Global Family leave which is an agreement we made with the union to give people more days paid by the company to take charge of the family/work balance, for example there are more days with respect to the contract dedicated to the case of bereavement of a family member, medical visits for people who do not have the 104 and should take leave for that particular event, instead they can accompany a family member or use it themselves. In the case of paternity, we have almost doubled the days available and in the case of maternity we are already well covered by law. At our headquarters near Bergamo, we have a company kindergarten, but at all other locations we have a welfare system that allows us to pay the education fees or family expenses, i.e., tax relief plus a contribution from the company. For new mothers and fathers, we pay a master's degree called 'MAAM' (Maternity as a Master), which over time has become Life as a Master, because it has been extended to fathers as well, and it is a digital master's degree followed by a certification that allows you to make a transition between the skills that a person exercises during parenthood such as multitasking, time management, that are the same skills that you need to work, so the private life management it is seen as a training for work and vice versa, as well as the development of resistance to stress and other soft skills."

With regard to the Global Family Leave policy in particular, the Company pledges to provide paid leave in all of its operating nations.

For the following four categories, the strategy establishes global minimum standards while preserving national flexibility based on law and market requirements:

• Primary Parental Leave: The primary parent (both biological and adopted) is entitled to 12 weeks of paid leave.

• Secondary Parental Leave: The secondary parent (both biological and adopted) is entitled to two weeks of paid leave.

• Care Leave – A fully paid leave of one week to take care of immediate family members who either require elder care or treatment for a significant health condition.

• Bereavement – 1 week of paid bereavement leave as a result of a family member passing away. (Schneider Electric, 2017).

Furthermore, in Schneider Electric there is also a lot of attention to Age Management and multiculturalism, in fact Fabiola Carini states: "I wouldn't reduce inclusiveness to gender, another important aspect is the theme of generations, so all the processes of mentoring, of passing generations, of knowledge and training on the job that need to be done to ensure transmission of skills, change of approach that can allow us to satisfy customers" (Fabiola Carini, 2023).

In fact, on the company's website, in the Diversity and Inclusion Policy, it is possible to read that Schneider Electric is involved in developing and involving a multigenerational workforce. For the various generations that work in Schneider Electric, the aim is to foster development of lifelong careers and the sharing of expertise for innovation and learning. They are committed to providing new possibilities for the new generation and to exploiting the potential of new opportunities and to leverage the capability of all new generations, by means of professional development opportunities customized for every career stage. In this regard Francesca Ravellino adds that: "The budget dedicated to bringing women into the company is invested in the same way for young people, to make the company sustainable over time"

Furthermore, regarding multiculturalism, she says: "Historically, we have always been international. We usually have interns who come from various countries such as Belgium, France, Germany. We often exchange interns with other countries that want to do international exchanges. There is a figure within the HR team called the Talent Manager who is dedicated to international development who is ambitious to make an international career" (Francesca Ravellino, 2023).

With regard to the inclusion of people who don't know Italian well Fabiola Carini says: "In Italy there are positions where necessarily the person must know Italian. I'm thinking for example of working as a saleswoman in an airline in Italy, customers ask us for Italian. For people coming from other countries there are language courses, and then we introduce the person into the role. The network we have is first at European level and then at world level, if we don't have the possibility of introducing the person in Italy, we refer them to some colleagues abroad. We have a good multiculturalism in Schneider perhaps because we already see a different multiculturalism in the university than a few years ago". As far as sexual orientation is concerned, the HR Business Partner of Schneider Electric Italia says: "In terms of sexual orientation, I have never seen any kind of difficulty in my experience, it is not something that is hidden or even emphasized. There are no initiatives in particular because it is a personal issue, and everyone chooses whether to share it or not" (Fabiola Carini, 2023). Despite this, it is interesting to underline that Schneider Electric joined the UN Free & 4 Equal Standards of Business Conduct for LGBTI equality as a signatory in 2018.

On the company's website it is possible to find the Diversity and Inclusion Policy, where one can read how, in terms of fairness and Disability Management, Schneider Electric is committed to providing people with disabilities with reasonable accommodation to ensure they receive the right support. In fact, as it is written in the Policy, Schneider Electric works to include disabled persons and fights against the prejudices to which they may be subject. The company works to combat stereotypes that can be eliminated through internal and external awareness campaigns. By making accessible their work environments and areas, the rules, human resources (HR) systems, equipment, and procedures, such as those utilized in recruitment, communications in writing, web pages, and events, it encourages equal chances to individuals with disabilities. Additionally, they want to increase access to their solutions, software, and software-related procedures, in addition to the improvement of their selection of partners and procurement processes. Also, highlighted in the policy, is the focus on maintaining a psychologically safe team, where everyone feels accepted and free to express their opinion without fear.

#### 3.3.4 Schneider Electric Italy and the inclusive corporate culture

Schneider Electric Italia does not only pay attention to increasing diversity in the company, but it also pushes for an inclusive climate that fosters cooperation and the achievement of company goals through collaboration. Indeed, Fabiola Carini explains Schneider's main system for fostering inclusiveness:

"At Schneider there is an anonymous redline that any employee can open to report cases of noninclusiveness. It's a number that you can call, a ticket that you can open on the computer in which the act is specified and listed, the person who did it, whose anonymity is guaranteed because then there are lawyers from outside the country who intervene to get to the bottom of what happened, and then there are disciplinary actions that are more or less serious depending on the extent of the fact; so, we can say that we are encouraged to be inclusive from the moment we hire people in the company (...) To assess inclusiveness every year we have an anonymous survey called OneVoice, which all employees do in order to assess the engagement in the company; so how motivated they are to work here, how much they would recommend it to their friend, how challenged do they feel, how inclusive do they think Schneider is and how inclusive do they feel in Schneider from 1 to 10. This when there are alarm bells is very useful because it can help to relaunch messages, communicate practices that are already there because not all employees may know them or add new practices". In addition, she explains how the multinational company engages in continuous training to reduce stereotypes and work on cognitive biases: "There is the part of mandatory training for all employees to be done every year, called Essential, these are short 20-minute trainings with a final test in which the ethics and the way of working in Schneider are specified. In addition, a person joining Schneider must sign the code of conduct, otherwise they cannot be hired. In addition, there was training for all managers with respect to bias and inclusive behavior to be adopted with a kind of role playing to understand the correct behavior to adopt in certain situations, and we also trained the managers to ask situational questions during the selection phase" (Fabiola Carini, 2023).

Concerning training with respect to stereotypes and cognitive biases Francesca Ravellino adds: "We did train on the HR side and then we cascaded it to the entire management side, we invested in the decision-makers both in terms of selection and internal role changes because the organizational impact is much higher, and we have it in the pipeline for the next few years to reach downstream to all employees. Training was done on how to evaluate an assessment when you have a heterogeneous population and in the behavioral interview, because often in situations cognitive biases emerge" (Francesca Ravellino, 2023).

So, in Schneider Electric they first invested in the formation of managers since and as it is possible to read from the Diversity and Inclusion Policy on the Company website, a great Schneider Electric leader is one who fosters building psychological safety, caring for their own and others' well-being, and working in diverse and inclusive teams. Managers in the Company are responsible for making sure their teams are working in a safe environment. That is accomplished through respecting everyone with dignity and confidence, providing an example of inclusive behavior, and notifying any cases of intimidation, assault, prejudice, or retaliation they had become aware of using the procedure outlined in the Trust Charter.

The Charter of Trust acts as the Code of Conduct at Schneider Electric, guiding every aspect of the business and the desire to conduct and reply in a respectful manner and in good faith to all stakeholders. The Charter of Trust acts as a guideline for each person and team at Schneider Electric and assists them in the pursuit of their objectives in a significant, inclusive, and positive manner. In accordance with the Charter of Trust, each employee is required to be respectful towards others and to guarantee that their conduct does not give rise to any offence or misunderstanding. All employees are strongly encouraged to inform others of undesirable or offending behaviors.

The focus on training to work on stereotypes and cognitive biases shows how increasing heterogeneity in the company through recruiting is not enough, this process must be accompanied by work on cognitive biases and the reduction of stereotypes to achieve a real change in corporate culture, oriented towards inclusivity to allow all employees to feel part of the whole, on an equal footing with others.

#### 3.3.5 The benefits of the inclusive working environment at Schneider Electric Italy

To the question "What are the main advantages of working in a diverse and inclusive environment?", Fabiola Carini answered: "It is a question of feeling a higher degree of respect, working in a company that reflects my values. Since I have a personal need to want to know more points of view, to want to go deeper into what I don't know, this helps me a lot to identify with Schneider. Having a culture of respect, means that if you respect others, others respect you and this means having a sense of belonging. I feel I can be myself; I'm not embarrassed to raise my hand and ask a question; this is a very stimulating aspect that helps everyone to grow. When I was talking about innovation, I meant exactly this, the fact of getting around a table and being able to discuss freely and then produce something new and different compared to what there is today. What we can offer customers is really a lot, and in this there are different areas of specialization, the trust in activating the customer who has a particular specialization and bringing him to the customer, becomes a strategic aspect also to get more results. As a company, this means having a performance recognition system that is based on respect; so, if two colleagues have worked together to bring orders to the customer, in terms of performance both of them are recognized and this goes back a lot to the theme of collaboration and trusting each other. If we only had individual goals, inclusiveness would serve little purpose because individuality would emerge, and the level of conflict would be very high" (Fabiola Carini, 2023).

By answering to the same question, Francesca Ravellino adds: "It's funnier, I see the difference from 7 years ago. It is an environment fuller of input, it innovates much more than before thanks to the presence of different heads" (Francesca Ravellino, 2023).

So, according to both HR Business Partners, among the main advantages of working in a heterogeneous and inclusive environment, there is the possibility of more innovation and creativity, given by the exchange of opinions between people with different backgrounds.

#### 3.3.6 The future Diversity Management scenario in Schneider Electric Italy

When it comes to envisioning the near future scenario in Schneider Electric Italy regarding Diversity and Inclusion Fabiola Carini replies: "I hope we don't talk about Diversity & Inclusion anymore because when something is 100% part of the culture and values, I think it can be underlined as a differentiating value but not as a must. This year is in our values because we had to maximize, push, make coherence, I hope that next year it will be placed under another point of view which could be that of innovation, teamwork. I hope it will go in the direction of no longer having non-inclusive behaviors and I believe that in a company a person must feel recognized and bring results regardless of diversity. I would remove the word diversity because the word inclusion is not just inclusion of diversity, but inclusion of the person per se and not of his/her characteristics and getting to see inclusion not as a must but as something that is essential in values which are then the fundamental ones for the company and for the business" (Fabiola Carini, 2023).

Among future perspectives on diversity and inclusion, Francesca Ravellino also foresees the cancellation of distinctions that will bring all employees to the same level, without the need to implement policies and initiatives to allow the introduction and acceptance of those which are currently considered minorities, in fact she says: "There will no longer be a need for policies. There will be less necessity to focus on issues. The company will have to become more flexible and resilient in terms of acceptance and inclusiveness (...) The micro-aspects of diversity, gender, age, and culture will become embedded in society. As far as being inclusive with respect to what is not yet considered standard, there is still a lot of work to be done" (Francesca Ravellino, 2023).

#### 3.4 Case Study Sonepar Italia

Sonepar is a well-known, independent, and multi-national B2B supplier of electrical goods, services, and solutions. Within the professional sale of electrical equipment, solutions, and related services, it is a prominent independent family-owned organization.

The Sonepar Group, founded in 1969 in France by Henri Coisne, is present in 40 countries and on 4 continents with a network of 100 brands, more than 2,800 active points of sale and 45,000 employees. In 2022, its consolidated turnover was over 32 billion euros, and it is the leading national distributor in 11 countries including Italy.

Sonepar has grown steadily over the years through internal growth and a series of acquisitions, while maintaining its entrepreneurial values. More than fifty years later, our Group is independent, and thanks to the support of family shareholders and investment in the skills of its employees, Sonepar has managed to expand to become a world leader and a reference for the entire market.

Sonepar Italia, a leading company in the market of electrical material distribution, part of the international Sonepar Group, is present in Italy with a widespread network of 160 sales points in 17 regions, 5 logistic centers and over 2200 employees, with a 2022 turnover of over 1.5 billion Euros.

Sonepar's operations in Italy got underway in 1988 with the purchase of the Electroingross company in Padua, and they grew gradually throughout the years through both internal expansion and a number of acquisitions.

Through a network of 80 brands in 40 countries, the Group aims to become the first B2B electrical distributor to provide a fully digitalized and synchronized omnichannel experience.

This multinational company focuses on the use of sustainable practices by leading the transformation towards clean energy. In fact, one of the company's core values is the Planet, and they are committed to market solutions that use clean and zero-emission energy.

Currently, the Group has an ambitious transformation program to become the world's first professional electrical distributor able to provide its customers with a fully digitized and omnichannel experience.

As can be read from Sonepar Italy's Diversity & Inclusion policy, Diversity & Inclusion (D&I) is a central objective of the global strategic impact plan. The D&I strategy has been developed with the guidance of experienced professionals, the sponsorship of Executive Committee and employees.

The strategy is aimed at increasing awareness of the importance of these issues for the company's employees, as well as consolidating and communicating D&I initiatives in all countries where the Group operates.

According to company policy, the main ambitions are to:

- Incorporate D&I into corporate, operational, and human resources initiatives
- Promote an inclusive and safe working environment where everyone can realize their full potential
- Create an inclusive and caring customer experience for all customers
- Involve suppliers in D&I commitments (Sonepar, 2023).

This is because the company strongly believes that companies that adopt a more inclusive approach at all levels are able to create higher value by embracing a long-term vision, showing greater risk aversion and a heightened sensitivity to sustainability and innovation issues.

For the development of a genuine culture of gender equality within the Organizations, the Executive Board has enunciated a Gender Equality Policy, setting itself the following objectives:

- To create a fairer world of work in terms of equal career opportunities, competitiveness, and flexibility.

- To support an increase in female employment.

- To ensure gender pay equity, facilitating women's participation and retention in the workforce, by employment, by supporting care responsibilities, enhancing skills, ensuring fair remuneration of jobs and occupations with equivalent socio-economic value, and promoting a condition of economic independence economic independence (equal pay for jobs of equal value).

- To guarantee equal opportunities in the development of skills and the application of individual talents, guaranteeing equal and equal participation in training and development courses, including courses on leadership, including courses on leadership.

In order to achieve the above objectives, the Sonepar Italia Group is committed to:

- Ensure additional flexibility for workers with parental and/or caregiver commitments.

- Implement governance and monitoring of diversity and gender parity in the company.

- Adopt appropriate practices for the dissemination of the Gender Policy within the company context and dissemination of information related to gender parity.

- Support working mothers and fathers by providing policies and benefits, beyond the relevant CCNL, dedicated to maternity/paternity protection and services to facilitate the reconciliation of personal and working lifetimes.

- Promoting the transversal promotion of the principle of gender equality for each contractual level, as well as the introduction of gender mainstreaming notions.

- Favoring the promotion of language that favors dialogue and the overcoming of sexist expressions or manifestations (Sonepar, 2023).

Finally, the Sonepar Italia Group prepares and disseminates to stakeholders a communication plan relating to its commitment on gender equality issues, ensuring that the communication is consistent with the principles of the Policy and the objectives established and implemented through the strategic plan.

In its communication activities, the Sonepar Italia Group pays the utmost attention so that gender stereotypes are avoided in advertising actions, ensuring a periodic review of materials and marketing strategies, striving to disseminate a positive image of women and girls, using a language respectful of gender differences.

In 2022, Sonepar obtained the Gender Equality for European & International Standard (GEEIS) certification to be valid for the following four years.

The GEEIS is a global standard that enables the development of a shared culture on diversity and gender equity in the workplace. As so, it sets a standard for professional equality and acknowledges all of Sonepar's recent initiatives.

Sonepar is committed to high ethical, social, and environmental standards and to ensure a diversified and more inclusive work environment for its employees.

## 3.4.1 Sonepar's HR Governance Structure for Diversity Management

The Human Resources Department has made D&I a top priority and has put in place a unique governance structure and context appropriate KPIs. In 2021, a project team was established to develop and implement Sonepar's D&I strategy. Members of the HRLT, the Executive Committee, and human resources professionals with expertise in diversity and inclusion make up the team.

The establishment of both the Diversity and Inclusion Council and a network of Diversity and Inclusion champions in 2022 significantly enhanced governance.

Twelve people make up the D&I Council:

- a representative from each region
- one from each support function
- one from Colam Entreprendre, the majority shareholder of Sonepar.

Its primary job is to implement the overall D&I strategy within their designated geographic or functional area. Additionally, the D&I Council is in responsibility of gathering local data that will be utilized to shape this strategy and make suggestions for how to modify it.

More than 40 people who represent the Group's countries and functions are part of the D&I champions community. Their main goal is to implement and implement the D&I strategy locally. D&I champions serve as the primary point of contact for organizing D&I efforts in their nation or operating subsidiary.

The Senior Executive Committee is in charge of setting D&I objectives and priorities.

All employees are committed to ensuring and maintaining the right behavior in a diverse and inclusive environment.

D&I Allies are collaborators working together within the organization to deliver, implement, and convey the DEI vision and mission as a whole.

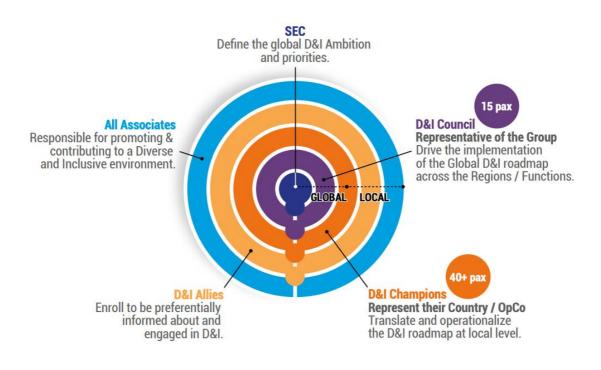


Figure 3.4. Diversity and inclusion governance (source: Sonepar website)

### 3.4.2 Diversity Management in Sonepar Italy and the difficulties encountered in the path

Sonepar started to focus its attention on Diversity & Inclusion about a year and a half ago. In order to learn more about the management of these policies and the initiatives implemented in this regard, three HR figures of Sonepar Italy were interviewed for research purposes, namely the Vice President Human Resources, the Training and Development Human Resources Organisation Manager and the Human Resources Business Partner of the Central Italy Division.

Elisa Maragno, HR Manager Organisation Training and Development Human Resources, explains the important role that Headquarters played in getting all Sonepar subsidiaries to start focusing on Diversity Management: "Now there is a very strong tension widespread on this issue, we at Sonepar as a group have felt the need to be very active on this front, so much that the parent company has

created a system of governance with respect to all diversity, it has identified figures who are dedicated to promoting diversity in the company, heterogeneity and the creation of a respectful environment that allows us to express the diversity in the company (...) As Sonepar Italy we benefit from this commitment of the parent company that has pushed all its managers to build a strategic plan related to diversity and we are working with a very strong focus on gender diversity, diversity of background and disability" (Elisa Maragno, 2023).

Donato Fiore, Vice President Human Resources at Sonepar Italy explains in the interview how Sonepar, being a multinational operating in the electrical equipment sector, finds it even more difficult to narrow the gender gap than companies operating in other sectors: "The gender gap is not something that is common to all companies, differences have to be made between sectors. There are some sectors where the gender diversity balance is greater and others where this balance is not there for historical or sector type reasons. In Sonepar Italy we live in a particularly unbalanced sector, in addition to the sector type, another key distinction depends on whether the sector is B2B or B2C, business to business or business to costumer. In business to costumer, it is easier to achieve gender balance, it is more difficult in business to business. In Sonepar Italy we are in a Business-to-Business sector and operate in the electrical equipment sector, therefore not particularly attractive for gender diversity. Since we are a huge company, and in Italy there are not many companies that do a billion and a half in turnover, we are in a sector that is historically more male than female, since our average customer is an industrial installer or a civil installer, so he is typically male" (Donato Fiore, 2023).

Anna Piras, HR Human Resources Business Partner Central Italy Division, also explains that one of the difficulties in reducing the gender gap is the sector in which the company operates: "The difficulty with us is also that we work in a very technical field (...) Certainly ours is a somewhat penalizing sector, but not because there is no willingness on the part of the company to allow access to the female world, but because normally, for the training courses we do, it is more difficult to find female candidates in our sector, so the incidence of female presence is very low (...) We struggle to include women in the organization because it is not an attractive sector for men and women to the same extent (...) The more women we manage to include, the more natural it becomes" (Anna Piras, 2023).

In fact, when asked about the main difficulties encountered in reducing the gender gap in the company, Elisa Maragno, Head of Organisation, Training and Development Human Resources, also spoke of the recruiting process as the most critical element: "The recruiting part is the major stumbling block, because we currently have 13% women in the company, which is very few. In fact, with respect to the sector we are in, the situation is very similar to that of our competitors because ours is a typically male

business, but also in terms of the ambition we have set ourselves, it is not satisfactory. So, a big difficulty we are having is in recruiting women (...) In the area of points of sale it is more difficult to be a woman, there are some in that area, there are branch managers, but it is difficult to create them because there are no people to grow in this sense, there are no people who have technical experience behind them" (Elisa Maragno, 2023).

In spite of this, Sonepar does not intend to give up; on the contrary, it is putting all the necessary effort into making Diversity and Inclusion key words within the corporate culture and it is making every effort to reduce the gender gap. In fact, Donato Fiore states that: "At Sonepar we approached the subject of gender diversity a couple of years ago, mainly at the urging of the parent company, but an interesting thing the head of region told us was that on these issues we should not stop at saying that it is typically a male sector, we should work to make it a more balanced sector in gender diversity. These days we are certifying ourselves for gender equality, so we will be one of the first companies operating in the field of distribution to be certified on gender equality, because we have a strategy on gender equality, which is necessary regardless of the sector, there needs to be great commitment at the top of the company in order to improve this balance in terms of gender and we did it a year and a half ago, as we are a large company the results are not very fast but in recent years we have seen interesting incremental data (...) but we don't want to live the certification as a medal to put on our jacket but as a commitment that we made, as a process and as a journey. HR journeys are not journeys that begin and end but are cultural, mindset journeys; therefore, we expect to improve our ability to be attractive to diversity in general and gender diversity".

He also speaks about the difficulty of unhinging stereotypes and long-held beliefs: "We have to raise awareness and learn to use a different meaning and approach and the difficulty is to neutralize in people's minds their habits that have stratified over years of work, the form of male camaraderie that becomes almost jovial and in some contexts is acceptable while in others it is not. The correct management of diversity and inclusion is to bring the value of respect within the organization, not to judge too easily, not to be influenced by the modes of expression that a woman may have as opposed to a man, but from direct experience I can say that it is very complex to use one's own language, it is a long process in which one must never give up in order to reach desired targets. We have to reiterate, communicate, inform, raise awareness, punish. There is no secret, but it is a long journey made up of many action plans" (Donato Fiore, 2023).

Elisa Maragno, Head of Organisation, Training and Human Resources Development, explained how it is necessary to act on stereotypes and cognitive biases in order to foster change in corporate culture: "We started last year by doing the training with seminars of 2½ to 2 hours, we started with the top

managers by first training them and then we went to all their first reports; then, we trained all the management in all our areas on these aspects. The entire company population will now take a pill on cognitive bias that the parent company created that explains the concept of stereotype, bias, and explains with practical examples how to recognize a bias or stereotype with respect to discrimination, how to identify micro-aggressions and then avoid them. We will start with top managers this year on the subject of harassment to make them aware of this risk, and similarly we will cascade to all others the following year" (Elisa Maragno, 2023).

Talking about numbers and percentages with regard to the presence of women in the company, the HR Vice President says: "Even in logistics, in the two large distribution centers, therefore in a typically male environment, we have a percentage of women of around 21%, because we have also given our administration partners the clear indication that we want to have a different mix in logistics as well, because there are characteristics that compensate and improve. I have an all-female team in human resources (...) although it is easy in human resources, we thought it would be more difficult in logistics, but we have nevertheless achieved important results, and we have also achieved them in central services. Here in Padua, we have the head office and more or less we are around 45% women and 55% men, where we are still very penalized is in our distribution network, i.e., in our points of sale, we are a company with 168 points of sale in Italy and there we are still struggling to improve the incidence of women. At the company level we are around 13.5% because we are so many, so the good 20% of logistics and the good 45% of central services then drowns in the network and collapses into a paltry 13.5%, but we have set ourselves as Sonepar Italy by 2026, which is the impact plan to get as close as possible to 20%, even the group within the purpose has the ambition to have 40% of gender mix".

Sonepar Italy does not only focus on Gender Diversity Management, but it also welcomes, includes, and values all kinds of diversity to make it an integral part of the system: "Diversity then can be of various kinds: of background, ethnic, religious, age and we in our diversity equity and inclusion policy try to think about all aspects of diversity. It is obvious that gender diversity is the most obvious one but, in the company, we try to have a more holistic and complete view and we try to work on the various aspects of diversity" (Donato Fiore, 2023).

Sonepar Italia, as a demonstration of its commitment and the effectiveness of the system adopted to protect gender equality, obtained UNI/PdR 125 gender equality certification in May 2023.

# 3.4.3 Sonepar Italy's strategy and initiatives for a successful Diversity Management policy

Given the very high level of difficulty in the success of diversity management policies in this sector, Donato Fiore spoke to us about how important it is to define and set up a corporate Diversity Management strategy: "The main starting point is to have metrics because if you want to improve something you have to start measuring it (..) you must monitor how the heads move, the projects, the cost of staff, the staff, the actions we have done and those yet to be done. In the network part, so excluding central services, where we reached 21 and 50, we put a lot of attention because according to the numbers we struggle the most. The South and Islands division is the most difficult of all because there is also a cultural aspect where women do not always have easy access to work, where they do not always choose to work, and various aspects have an impact, but we monitor the number of women and men out of the total, divided by region, and we see what age group they are in, what seniority they have in the company. On people leaving the company we monitor how many men and how many women were hired, how many men and how many women left, who are those who left were and what age have those who arrived were. There is a lot of focus in the area where it is hardest, it is easier to find a woman who wants to work in human resources than in administration, finance and control, instead of going to sell electrical equipment (...) The divisions make commitments, first we measure and then we make the management structure according to the territories make timely commitments to improve the situation and we improve it, that's why we describe. So, the first step is metrics, the second is commitment, so strong commitment (...) this is a game that human resources cannot play alone, it is a cultural change that involves the whole structure and not just one function. So, metrics, commitment, and action plan" (Donato Fiore, 2023).

In addition to defining the objectives, during the interview he explained the company's action plan in particular: "When it comes to meritocratic policy, we look closely at the percentage of women who are promoted, who are given the increase compared to the total and compared to the percentage of men, for career promotions we look with the same attention to whether we offer the same opportunities to women or to non-EU nationals, when we make access to training we see whether the same opportunities are granted, inclusion is totally integrating and making that part of the system, of the corporate body, which is trivially labelled as different, feel part of the system (...) Same access, same possibility of career advancement, same possibility of salary increases, same possibility of access to promotion" (Donato Fiore, 2023).

Regarding the initiatives taken to raise awareness of Diversity & Inclusion, the HR Vice President reports that:" In the beginning there were initiatives in terms of information, awareness-raising, and training. We did specific training against cognitive bias and against micro-aggressions, we have a portal to report harassment and an infrastructure to support the minority to make them feel protected. At the beginning we did a zero point on the whole organization to understand where we are and make sure that people understand that it is a strategic goal of the company and that it is important for us because often people don't realize that they are acting against diversity. It is easier for a man to hire a man because they talk about football, It is easier for a man to hire a man because they talk about football, they have topics in common, while it is more difficult to integrate with a woman, so we need to beat on this to make people understand that a woman can bring a different approach, skills, methodology that once integrated with the rest of the company creates greater value and in fact all the statistics say that companies that have worked well with diversity tend to perform better than others (...) Among the action plans, there is the rewriting of some operational procedures such as recruitment, for example, in the shortlist of three candidates there must be at least one woman. Every year we do an academy to recruit young graduates and we put a selection constraint of 50/50, whereas in past years we did not have these objectives and constraints" (Donato Fiore, 2023).

Human Resources Organisation Training and Development Manager Elisa Maragno explains how Sonepar Italy's action plan includes a review of the company's recruiting processes: "We are working to ensure that our recruiting processes always have female profiles, we are trying to communicate in a more attractive way to women and we are also trying to eliminate possible biases that occur during the selection process. Everyone who does recruiting has been trained to be aware of the biases that can occur and we are also building a monitoring of the recruiting process that allows us to identify and measure in statistical terms how many males and females come in as applications, how many we interview and how many are then placed, so that we can see if any suspicious parameters emerge statistically in the way we do selection". In addition, he explains how Sonepar Italy allows women to feel protected and safeguarded within the company with the help of a portal dedicated to reporting harassment: "We also have the issue of reporting harassment for which we already have a procedure in place called WhistleBlowing, whereby if there are cases colleagues can report harassment whether suffered or seen. Since we have not yet received any reports on this channel, we are activating a new channel specifically dedicated to harassment, since WhistleBlowing also lends itself to communications related to commercial or business malfeasance not only related to harassment, so to give the right attention to this issue we are going to start a dedicated procedure".

Moreover, given the difficulties encountered in the company recruiting process due to the low attractiveness of the sector for women, Elisa Maragno explains the strategy that Sonepar is adopting to make the company more attractive on social media and in job advertisements: "We are making sure that the advertisements are not only expressed in the male language, that they open the selection to both sexes, that they are also attractive to women. Then with respect to our social channels we have published the gender equality policy on the website, the parent company has enriched the website a lot on the topic of diversity and inclusion. In our social we are doing posts that go in this direction, we did a post on 8 March on the theme of embrace equity, we showed in the post our girls in the distribution center of which we are very proud because they were recently included. We do different communications related to gender equality, inclusiveness that we want to push in the company" (Elisa Maragno, 2023).

Anna Piras, HR Human Resources Business Partner Central Italy Division, adds that: "There are difficulties in reconciling family and work life. Women find it hard to leave their children at home, especially when they are small, so there is a tendency to give up their careers in order to devote more time to the family, and I think that this gap will not be overcome until legislation itself imposes equal time distribution in childcare. As far as Sonepar is concerned, we are working a lot from this point of view because it is one of the future goals in terms of sustainability of the organization, we are working to ensure that access to back-office positions but also related to the core business are directed equally to women to ensure that they consider us attractive in their career paths, despite the sector they come from. We are working on the postings, on how to publish the advertisements to ensure that the perception of our advertisements is the same and that they are perceived equally by both men and women (...) In addition to the advertisements we ensure that every time we open a selection, the number of female candidates is equal to the number of male candidates and there is no bias, no prejudice, no unfair approach in the evaluation of candidates (...) As far as gender equality is concerned, we are trying to adopt initiatives that also favor the improvement of work-life balance, allowing those roles for which it is appropriate to do so to work in smart working, for some roles this path is not feasible, such as for shop assistants who need to have a presence in the workplace, while for all central service activities there is the possibility of working 2 to 4 days a month in smart working. After that, we are trying to encourage initiatives for women at the end of compulsory maternity leave to ensure flexibility in working hours and make it easier for them to return to work, and also to encourage parenting in a more equitable manner and ensure that compulsory leave can also be given to fathers; therefore, we are trying to take initiatives that go towards improving gender equality" (Anna Piras, 2023).

On the latter topic of parenting, Elisa Maragno adds that: "We are trying to promote the topic of parenting, on this we are now taking the first steps, promoting parenting for fathers is a way to promote greater equality for women as well" (Elisa Maragno, 2023).

Regarding diversity in general, including ethnicity, disability, age, the HR Vice President of Sonepar Italy tells us: "For us, diversity is an issue that also encompasses different abilities, so we go to see how many disabled people, how many 104s, how many non-EU nationals (...) We have a very good best practice because we have made a partnership with the people who organize the canteen that recruits autistic boys for food preparation and we have one of the boys who sets up and organizes, this shows the real desire to include boys with disabilities. This results in CSR, corporate social responsibility, which means that we play not only a role to produce income for the shareholder, but also a social role in society" (Donato Fiore, 2023).

The HR Human Resources Business Partner Central Division Anna Piras adds: "We are trying to have, especially in the paths aimed at the insertion of young people, a heterogeneous composition of the group in terms of origin, culture, and geographical provenance. Since we are a company present throughout the country, geographical differences are also important because the local markets are also different, so what we also favor is cross-fertilization and therefore the desire to transfer experience to different contexts, encouraging mobility within the territory, we make sure that within the groups, especially in the Academy project, which involves young people between 20 and 30 years old on average, from different backgrounds, heterogeneous in terms of culture, ethnicity, gender, and then we are also trying to make inclusive paths in favor of disability because Sonepar considers diversity as an element that strengthens the corporate culture and therefore as a value within the organization (...) referring to different ethnic groups, work in the warehouse requires less interaction, whereas in other areas of the company interaction is necessary and when there are language problems because they may not speak Italian well, it is more difficult. Since Padua is the distribution center where the presence of non-European immigrants is much higher, language courses have also been organized to support education in this sense and foster relations between people with shared needs" (Anna Piras, 2023).

Talking about the Academy promoted by Sonepar Italy, Elisa Maragno explains how this is an initiative that helps women enter the industry, despite the fact that they often lack the technical skills in this field: "We have a massive selection process called Accademia Sonepar Italia with which we recruit every year, even several times a year. This year we're doing the second edition in June 2023, where we recruit young people who do a training course before being placed in the company, they do four weeks of classroom training. We pick them up from all over Italy and based on where we have placement needs, we bring them to Padua for 4 weeks, all expenses paid and financed, and they do train on our

products, on the basic knowledge of electrical equipment that you need to have and also on sales techniques, our systems, marketing, and knowledge of the organization. The curriculum has been readjusted to accommodate people who do not necessarily have a technical background. So, we increased the hours dedicated to the basics of electrical engineering to allow us to include more women in this course, because it is more difficult to find female appraisers, so by building the program in this way we were able to include many girls in the course. From having zero last year we had 10 out of 17 participants, and this year's edition had 7 girls in the group, so let's see if we can include more young women in the next one" (Elisa Maragno, 2023).

Beginning with a 155-hour training program at Sonepar Italia's headquarters in Padua, the Sonepar Accademia project teaches all participants the fundamental technical skills they will need to succeed. Participants pursue the program by working at branches after the training phase. They accept a position as a sales assistant within a temporary employment contract arranged by Gi Group, which may result in employment with the Company. The objective is to give recent graduates opportunities in a developing sector.

Elisa Maragno also adds that this practice for training new employees helps the integration of people of different ethnicities into the company, who are also helped through language courses where necessary: "Regarding the difference in backgrounds, this Academy is an element because it also allows us to include non-expert youths; therefore, we bring in people from all study profiles. We have also increased the presence of profiles from different ethnic groups, especially in the distribution center, and we have equipped ourselves to give Italian courses to the people who come in because we don't always find ones who know the language well; therefore, we try to facilitate their inclusion in this way" (Elisa Maragno, 2023).

Related to the importance of diversity, Donato Fiore emphasizes the need for inclusion: "Diversity is the ingredients of the cake, inclusion is the cake. We have to work on diversity, but at the same time we have to work on our capacity for inclusion and make sure that this diversity finds expression and the possibility of expression equal to that of others, otherwise we create a diversity ghetto in the company. My suggestion is never to speak only of diversity but also of inclusion; in fact, our project is called DEI (Diversity, Equity, Inclusion) for a more holistic view of diversity (...) Inclusion is when diversity is no longer perceived as such but is part of the total, it becomes part of the whole. Inclusion is about giving equal access to everything that other categories have access to (...) Inclusion is about totally integrating and making that part that is trivially labelled as different feel part of the system, of the corporate body. Inclusion is when the concept of diversity is annulled" (Donato Fiore, 2023).

#### 3.4.4 The benefits of the inclusive working environment at Sonepar Italy

When asked about the benefits of working in a more inclusive environment, and in particular with women, Donato Fiore states: "I am telling you this and I have only women in the team, I think there is a completion because the woman has her own characteristics that complement and enhance the mix because it is also risky not to have diversity in terms of defining strategy. The woman as such offers a different perspective from that one of men, a different view on things, on people, on actions and on the everyday, and from these different points of view you can see that the sum makes 3 and never 2, you always see the added value given by diversity and I am talking about various types of diversity. For example, if you have to do a project you put in a man, a woman, a veteran, a very young person who has just arrived and it is diversity that makes you grasp all the nuances and makes you manage the project in a better way. Otherwise, you become self-referential if you always address people with the same point of view, cultural background, and professional history you close yourself off and limit yourself. Today the world is so tumultuous, VUCA (volatile, uncertain, complex, and ambiguous), in such a context the organization's ability to gather input from different perspectives is useful to try to neutralize the context we are in because you have already considered different angles of perspective. From direct experience, women are more precise, more lucid, more performant and if I can choose, I always choose a woman over a male (...) we have to get active and work on the employee value proposition to be more attractive to the new generations. That is why I see moving on the path of diversity and inclusion as necessary to attract the new generations. If I could make my industry more attractive if I used to recruit only men, I can double the talent I attract for the future. The attractiveness of talent and competent people is the big challenge for the next 5/10 years for all companies, so you have to do everything to be more attractive, because the world of talent attraction is difficult and very competitive so either you are at a good level, or you risk getting the rejects" (Donato Fiore, 2023).

Also, Elisa Maragno, talking about the importance of fostering diversity in the company, names among the benefits the employer branding, the increased productivity fostered by the fact that employees feel at ease in the company context, the value creation and the multiplicity of viewpoints that is more representative of the heterogeneity of the external context: "Certainly the possibility to express oneself freely can activate a lot of productivity in the sense that the heterogeneity of background, gender, approach to work, because there are so many freedoms and they are not the ones visible in external terms but they represent us in all our peculiarities, so creating an inclusive environment gives everyone the opportunity to express themselves according to their own characteristics and this can create value because it is representative of the external context and therefore when you go to work you take into account points of view that might be missed if we were all male, 50 years old and Caucasian, we might not realize certain needs that the client might have. There is also a range of considerations to be made in terms of employer branding and recruiting that we have to consider so that we don't miss out on women, I believe that the great value is in having people who are serene, who work willingly, who can express themselves and who can contribute in terms of productivity and expression" (Elisa Maragno, 2023).

Anna Piras adds among the advantages of working in a heterogeneous environment that shares a more inclusive corporate culture: "Meanwhile, where the corporate approach is in favor of these policies, the general willingness of everyone and the approach of the members of the organization is also more natural. In some companies where certain paths are less advanced, it is more difficult to access certain rights that are legally guaranteed but are not in fact guaranteed, because in a male-dominated work environment where no one asks for parental leave, the one man who does ask for it may find it difficult because he feels a little different, while where the work environment is more heterogeneous in all respects and therefore includes more types of diversity, it is easier to feel at ease and therefore includes more types of diversity, it is easier to feel and take advantage of these opportunities that companies provide. When people find a positive, favorable, and inclusive working environment, I believe that the value and contribution they are able to give is also much higher than in working environments where everyone is less free to express their needs, more forced to comply with policies that are not shared. I believe that the corporate value system must be consistent with the corporate value system of individuals, if a distance is created it is difficult to share corporate policies" (Anna Piras, 2023).

#### 3.4.5 The future Diversity Management scenario in Sonepar Italy

When it comes to envisioning the near future scenario at Sonepar with regard to Diversity and Inclusion Anna Piras replies: "In Sonepar I don't think there are any other ways but that of total openness, since the path has already started, and it is becoming more and more impactful in the sense that it has become one of the purposes of the company itself and I believe that no member of the organization cannot be involved. For Sonepar it will be a process accompanied and therefore speeded up by the group itself and by the will of the division ( ...) Specifically on gender equality for Sonepar the path is fairly well mapped out because we have recently done an assessment to obtain certification on gender equality and if all goes well, we will also obtain certification because we are working to implement concrete initiatives that promote a fairer working environment, which allows women to achieve a better worklife balance and work in a more inclusive context" (Anna Piras, 2023).

Elisa Maragno explains how although there is still a lot of work to be done and as more women take over the company, initiatives to promote their inclusion will also be enriched, the company has ambitious goals and the impact will certainly not only be on a social level but will also benefit the country in general in terms of female employment: "We have ambitious goals because the group wants to push itself to high percentages. The more we populate the female presence, the more we will discover new attentions to devote to this universe. I assume that work/life balance will have to be enhanced, maternity support tools will have to be elements to work on, and we already have ideas on this that we are preparing for. So, we will continue to improve our approach to equity. If all goes well, Italy, which is a country with a very strong female employment rate, could benefit in no small way, we count on having an impact also at a social level if we all work in this direction" (Elisa Maragno, 2023).

Lastly, Sonepar Italia Vice President Human Resources Donato Fiore believes that the new generations will greatly help the company to incorporate diversity and inclusiveness into the corporate culture, which is why Sonepar Italia is very focused on the company's attractiveness in the eyes of new recruits: "In my opinion, the new generations are smarter than the previous one, because they hardly perceive it as diversity. In my generation diversity is noticed, the new generations don't even notice it. It will evolve that this will become normalized, diversity will be perceived less and less as such. The new generations will bring the cancellation of diversity and perceive work not in an immersive way but with more work-life balance and more flexibility. In fact, we have to act and work on the employee value proposition to be more attractive to the new generations. That is why I see moving on the path of diversity and inclusion as necessary to attract the new generations. If I can make my industry more attractive and before I used to recruit only men, now I can double the talent I attract for the future" (Donato Fiore, 2023).

On Sonepar Italy's website one can read about the current Diversity and Inclusion priorities of the company, namely: to attract, retain and promote women - with the goal of raising the female presence in the labor force from 25 per cent to 35 per cent by 2025, to foster diversity at all levels, in particularly by allowing employees with diverse backgrounds to grow within the company, and to promote an inclusive work environment for people with disabilities.

# 3.5 Comparative analysis on Diversity management between Schneider Electric Italia and Sonepar Italia

From the analysis conducted through semi-structured interviews and the subsequent comparison between the two companies, many similarities emerged. No differences were found, except for a few more initiatives in one company than in the other in terms of Diversity Management.

The two companies analyzed are both French multinationals, joint stock companies and both operate in the distribution of electrical equipment, so they are part of the same. For this reason, the difficulties encountered by both in terms of Diversity Management are the same and the management of practices to promote diversity and inclusion in the company is very similar.

The same goes for the interviewees' testimonies about the benefits of working in an inclusive environment and the future prospects they see in their respective companies in the long term.

#### 3.5.1 Diversity Management and the difficulties encountered in the path

The qualitative research conducted through interviews with five HR figures from both companies under study revealed many similarities between the two multinationals, both in terms of Diversity Management initiatives and strategies, and with respect to the difficulties encountered in implementing Gender Diversity Management practices geared towards reducing the gender gap.

Being oriented towards welcoming diversity is a fundamental corporate strategy for these two multinationals. It was almost a necessity for these large companies to move towards these issues, since, nowadays, promoting diversity and inclusiveness makes it possible to attract new talent. In addition, corporations are now required to prepare financial statements that demonstrate their corporate sustainability goals, including commitments to diversity and inclusion.

The qualitative analysis revealed that, although both multinationals are fully motivated to reduce the gender gap and increase female employment in the company, for both, the objective is to balance the male and female presence at 50%, a major obstacle beyond their corporate efforts is the lack of

attractiveness of the sector in which they operate for the female gender. In fact, since it is the electrical distribution sector, it is evident from the statistics that there are few women with ITIS diplomas or engineering degrees, which means that they preclude themselves from considering a career in this very technical sector. At the same time, in order to remedy this problem and to make companies attractive also in the eyes of female candidates, both Schneider Electric Italia and Sonepar Italia are committed to making their job advertisements, on their social media and on their website, show their attention to the issues of inclusiveness and attention to gender equality in their business practices. For that reason, the Schneider Electric website states that in the company's tradition, culture and identity, diversity is an indispensable value.

Inclusion underpins the way employees interact and perceive differences. Inclusion is Schneider Electric's response to diversity and the Company is committed to creating a culture of inclusion in which all diversity is a value. While on the Sonepar website you can read that Diversity and Inclusion are core themes for the company's strategic impact plan, where everyone can feel included and safe, with equal opportunities and resources.

Furthermore, in both companies the starting project is called DEI (Diversity, Equity, and Inclusion) and in both cases the aim is that all stakeholders also share the same commitment in valuing diversity and inclusion.

In addition, in order to technically train those who lack the skills in the electrical engineering sector, both multinationals have set up a training academy for new recruits, which can bridge their gaps and train them in all the skills needed to take on a role in the company, even without a technical diploma or engineering degree.

Moreover, since culturally and historically the electrical engineering sector is perceived as distant from the female universe, both multinationals have had to work hard to combat stereotypes typical of a typically male environment. In order to do this, at both Schneider Electric Italia and Sonepar Italia, staff are trained to work on cognitive biases, recognize stereotypes and combat them, in order to align all employees with an inclusive corporate culture oriented towards welcoming diversity. Additionally, in both cases, the training process started from top management, so that those who outline the company's goals and strategies are trained first, and then cascade down to the entire company population.

Similarly, both multinationals do not only focus on Gender Diversity Management and narrowing the gender gap but are careful to include all kinds of diversity. In fact, both companies provide language

courses for foreigners who are not fluent in Italian and are careful to have a heterogeneous composition of the groups assigned to the Accademia project, equally including people of different ages, backgrounds, and cultures, to ensure that everyone receives the same training necessary for their inclusion in the company. Moreover, the meritocratic policy is also reflected here, as there is a focus on ensuring that there are equal opportunities for all in terms of career advancement and salary increases.

Furthermore, both Schneider Electric Italia and Sonepar Italia have a platform to report and possibly punish incidents of non-inclusiveness, to make sure that everyone maintains correct attitudes towards everyone within the company.

#### 3.5.2 Strategy and initiatives for a successful Gender Diversity Management

Analyzing the compositions of the governance structure by diversity and inclusion within the two multinationals, it can be seen that at the top, priorities and objectives are imposed by an Executive Committee.

Furthermore, for both multinationals there are leaders and members specialized in diversity management who manage and monitor the results of diversity and inclusion strategies and policies.

In addition, in both companies, the key role of all employees in making diversity and inclusion key issues within the company culture and maintaining good conduct in line with company policies is emphasized.

In order to help decrease the gender gap in the company, both multinationals monitor their recruiting processes, making sure that the proportion of men and women in the selection process is always balanced, and they are careful to allow equal opportunities for both genders in terms of salary increases and career advancement, according to the meritocratic policy. Both companies allocate a part of the company budget each year to close the wage gaps that emerge from the periodic analyses.

To ensure gender equality, both multinationals promote parenting, of both fathers and mothers. In fact, both two have extended parental leave for fathers, and Schneider Electric Italy has introduced a Master that is aimed at both men and women, to better prepare them for motherhood/paternity, to make them

understand that the birth and care of a child does not take time away from work but allows them to improve soft skills that are also essential in the world of work.

Both multinationals guarantee smart working wherever possible to allow a proper balance between family and work. They also have a welfare system to cover certain family expenses in the area of health and education.

Furthermore, surveys are periodically conducted in both companies to find out how included and comfortable women actually feel in the company and to see if there are any areas where gaps can be filled and in both, employees can report any case of harassment that occurs within the company anonymously, depending on the severity of the incident the behavior is subsequently sanctioned.

Moreover, in both companies, it is not only about increasing the heterogeneity of employees in terms of race, culture, background, age, gender, disability, and sexual orientation, but above all about promoting a corporate culture whose core value is inclusiveness. Indeed, to enable good business performance, it is necessary for all employees to feel welcome and respected. For this reason, the two multinationals have invested heavily in training, through meetings and online coaching, to work on cognitive bias and the reduction and avoidance of stereotypes.

#### 3.5.3 The advantages of creating an inclusive working environment

From the testimonies of the HR figures of both multinationals, more or less the same advantages of having a more heterogeneous company composition, in terms of employees and an inclusive culture, emerged.

Among the main ones there is the multiplicity of viewpoints that helps to better respond to customer demands and to ensure more creative decision-making.

In addition, the heterogeneity of working groups today mirrors that of the outside world, which is essential for responding properly to uncertainty in an increasingly VUCA (volatile, uncertain, complex, and ambiguous) environment, by allowing to take decisions in a more flexible way.

In addition to this, a more inclusive environment allows all employees to feel at ease, free to express their thoughts and be themselves, with their values in line with those of the company, and this is necessary to ensure greater individual and consequently collective performance, in two multinationals where teamwork is essential to achieve results.

## 3.5.4 The future Diversity Management scenario

All HR people interviewed were asked about their future perspectives on Diversity Management.

It emerged that both multinationals have high ambitions in terms of diversity and improving the corporate culture to make it more and more inclusivity-oriented and to make everyone's diversity part of the whole, so that it is no longer recognized as such.

In fact, in both cases it was highlighted how, by increasingly increasing the heterogeneity of employees at company level and by working on the theme of inclusiveness through training, there will be a progressive cancellation of the perception of diversity, such that it will no longer be necessary to dedicate initiatives and specific practices oriented towards this theme, because diversity will be so much a part of the corporate culture that it will no longer be perceived.

Furthermore, inclusiveness as one of the main corporate values also helps companies in terms of employer branding to attract new talent, especially in a sector such as electrical equipment, in which not everyone is specialized. In fact, the two multinationals are pushing hard on the theme of diversity and inclusion in their job advertisements, on the main social platforms and on company websites to ensure that their orientation towards inclusiveness and the acceptance of diversity can shine through, in order to be attractive to new talents and new customers.

## Conclusions

Today's world, especially as a result of globalization, is an increasingly VUCA (volatile, uncertain, complex, and ambiguous) environment, in which all its components are subject to constant change. The continuous changes of demographic frameworks, technological advances and the internationalization of business contribute to this. These processes force organizations to adapt to the external environment, following and responding to these changes by implementing new processes and strategies. Therefore, companies begin to recognize the significant value that diversity brings to the organization and they are starting to value it in order to draw the positive from the differences of each individual.

The set of practices and policies that, within any workplace, aim to respect and value diversity with the objective of supporting different lifestyles and responding to different needs is called Diversity Management. The right strategies and initiatives, when well implemented, make diversity bring benefits to the company and society. In particular, when practices and policies are geared towards reducing the gender gap in the company, the whole is called Gender Diversity Management. The latter has become increasingly important in recent years. This is certainly due to the continuously increasing empowerment of women over time but taking action to reduce the gender gap has also been a necessity for companies. This is because attention to diversity and inclusion are means of attractiveness for companies nowadays, not to mention that, in Italy, they can benefit from tax relief as a result of attention to the reduction of the gender gap, and furthermore, the latter is part of the information to be provided in sustainable balance sheets for listed companies.

The objective of the research was to investigate the state of gender diversity within organizations in Italy, with the aim of highlighting how, in recent years, the pay, employment and working time gaps between men and women have been high, but slowly decreasing. At this rate of change, it will take more than a century to close the overall gender gap in earnings.

Some EU member states are testing new approaches and may be able to accelerate progress towards gender equality and women's economic independence, others may still be a long way off. The EU has a key role to play in ensuring steady progress in all countries. Although long-term trends on gender equality have been encouraging so far, further progress is needed, but by no means guaranteed.

Gender equality can receive a major boost, but only if continuous vigilance is combined with active policy initiatives. The UN Agenda 2030 points the way forward. In 2015, the world leaders of the United Nations decided to take countermeasures by drafting a development plan with a global sustainability focus: the 2030 Agenda. In the 2030 Agenda, 17 sustainable development goals were identified. Among them are the goal of reducing inequality and promoting gender equality. In fact, the common goal of the 17 goals is to achieve widespread sustainability in a balanced way, i.e., without anyone being excluded or left behind. The European Union immediately embraced the themes of the 2030 Agenda by adopting a policy in favor of environmental sustainability and by actively engaging, together with its member countries, in the achievement of the Sustainable Development Goals proposed by the United Nations.

Following several warnings by the European Union, which has created awareness-raising projects for its member states, the gender pay gap, which has been publicized by various international analyses, has become a concern for the institutions of individual countries. The logical thread to follow is that if the pay gap is disclosed, so as to highlight the existing gap between men and women, there is already an incentive for companies to close it.

In Italy, specific measures have been enacted over the years with the aim of protecting gender equality, but, despite this, in addition to working less than men (the female employment rate is 49%, compared to 67.2% for men), women also have lighter pay envelopes, this is due to the fact that they work fewer hours, or on a part-time basis. In addition, they are less willing to work overtime, and this is linked to less remunerative and more temporary jobs, as well as to the fact that, for the same qualifications, they get less career advancement than their male colleagues. Focusing on the factors and aspects of the activities that contribute to a 'masculine' culture in the company, it can be stated that, companies consider that it is the working hours that are the main unattractive and unfavorable aspect for female workers and female candidates, followed immediately by leadership, language, and manners, which underpin the culture. These areas are, in fact, characterized by production processes that require availability in terms of working hours and, in some cases, even mobility. There are work sectors in which women find it more difficult to assert themselves. Despite the fact that job sectors offer positions open to candidates of both sexes, the prejudice persists that certain professions are 'male' and not suitable for women.

In fact, to provide two concrete cases of Gender Diversity Management in Italy, two multinational companies were chosen in this study, Sonepar Italia S.p.A and Schneider Electric Italia S.p.A, which operate in a sector known to be predominantly male, namely that of electrical equipment.

The study was conducted by carrying out five semi-structured interviews with HR figures from both companies.

The latter revealed their strong involvement in closing the gender gap through attention during the recruiting and compensation processes, but at the same time also one of their greatest difficulties in doing so, namely the sector in which they operate, given the scarcity of women with technical diplomas or engineering degrees in the Italian context. The low presence of women in the company means that there are few of them in senior roles compared to their male colleagues.

The process of reducing the gender gap in the company has entailed quite a few difficulties at the organizational level, in addition to making the sector attractive to women, at the process level the two companies have had to readjust their recruiting processes to balance the selection process between men and women.

Orienting the company towards Diversity Management, and Gender Diversity Management in particular, entails a major change in the corporate culture, a slow and tortuous process that requires a precise definition of objectives and a consequent setting of the most suitable corporate strategies that entail not indifferent organizational costs for their implementation, not to mention the implicit costs of changing the corporate culture, which, being a difficult process, is not necessarily successful. In fact, working on cognitive biases and reducing stereotypes is a very slow process, requiring continuous training of the corporate population.

From one of the interviews conducted, it also emerged that recruiting women into the company is more or less easy depending on where in Italy you are, in some countries women are less likely to enter the workforce due to cultural factors and stereotypes rooted in time.

Motherhood is another issue that companies have to deal with when it comes to narrowing the gender gap; in fact, due to their inability to fully devote themselves to work, women are often penalized at work and this makes them preclude themselves from seeking stable positions, or they have to withdraw in view of the birth of a child. In fact, companies are adapting to ensure that women have a fair work-life balance, protecting them during maternity leave, so that they do not preclude themselves from entering or leaving the labor market.

In spite of this, these companies are doing their utmost to make their environment oriented towards diversity and inclusion in general, whether this concerns disabilities, cultures, sexual orientation, or different ages, and to make themselves attractive to women as well. To do this, they are putting a lot of emphasis on being inclusive in job advertisements, websites, and social networks. In addition, they have increased measures in terms of corporate welfare and extended parental leave, they have made smart-working possible, and all staff have been trained to work on cognitive biases and to be able to eliminate stereotypes inherent in an entrenched corporate culture. Both companies have platforms for reporting abuse and harassment and conduct regular surveys to find out what employees think about Diversity Management in the company.

The study found that among the benefits of working in an inclusive and diversity-oriented environment, there is a more relaxed working climate in which everyone feels comfortable and able to have a say. This makes people more productive in the workplace. In addition, working in a heterogeneous environment allows for an exchange of views, which is a prerequisite for responding to the uncertainties and complex challenges of the external environment.

Furthermore, among the future perspectives of the companies taken into consideration, the willingness to reach 50% female employment and to proceed to the inclusion of all types of diversity in the company emerged, always flanked by work on cognitive biases, so that the concept of diversity will gradually become superfluous, with no longer need to apply specific Diversity Management practices and policies.

With regard to the presence of women in management roles in companies, the literature suggests that increasing gender diversity not only reduces company risk and improves company performance, but also plays a role in reducing the pay gap at the highest executive levels. It should be noted that, few women currently sit on the boards of large companies, however, better financial performance could result from increasing the presence of women. Therefore, further efforts by companies to improve the representation of top female executives are considered both socially necessary and beneficial for the company as a whole.

In conclusion, the semi-structured interviews concerned mostly women and proved useful to learn how they perceive gender diversity in their business context. All four interviewees are aware of the gender problem in Italy which, however, they specify, does not currently concern their companies. They also pointed out that in the past these differences between men and women were much more accentuated than today. These statements suggest that companies are increasingly committed to reducing the gender

gap, even in contexts where the inclusion of women is more difficult, which leaves room for good future prospects for this issue.

## Contributions, limitations, and future research

This research is useful to understand the current situation of the gender gap in companies operating in Italy, the advantages, and difficulties that diversity and inclusion bring to the business context, the main strategies adopted to foster inclusiveness and heterogeneity, and the future perspectives of Gender Diversity Management in Italy.

It is important to draw attention to this study's weaknesses as well. The size of the sample considered for the analysis comes first. In order to evaluate the current situation of gender gap in Italian companies and to know the strategies that those are actually using for Gender Diversity Management, a larger sample of enterprises should be analyzed. The nature of the companies chosen, namely multinationals and joint-stock companies, operating in the electrical equipment sector, serves as another restriction. In fact, it is difficult to recruit women in this sector, so it would be interesting to know the current state of the gender gap in other sectors. Moreover, as multinationals and joint-stock companies, these two companies have high budgets available for Diversity Management practices. That is to say that, in order to have a larger sample available for research, it would also be good to know how Italian companies, mostly small and medium-sized ones, are managing the gender gap with lower budgets to implement strategies.

Thus, for future research one could aspire to a sample that includes companies from various sectors, in order to get a broader perspective on the evolution of the gender gap in companies operating in Italy, and in addition one could consider companies of various sizes, from small and medium-sized family-owned enterprises to large, listed companies.

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# Appendix

# Interview transcripts

P01 - 280423

Interviewee: Donato Fiore Date interview: April 28<sup>th</sup>, 2023 Gender: Male Profession: Vice President Human Resources Sonepar Italia

I: In your opinion, what is the state of Diversity in today's companies in Italy with particular reference to the gender gap? And what is currently the situation in Sonepar Italy

P: The gender gap is not something that is common to all companies, there are differences between sectors. There are some sectors where the gender diversity balance is greater due to sector type and others where this balance is not there due to historical reasons or sector type. To give an immediate example, if I use the fashion sector as a benchmark, I will find a more balanced gender gap there, given the greater attractiveness of the sector, which helps balance gender diversity, because to nurture it you need a hard core of 20/25%, below this threshold there is no balancing because it is difficult to create community in diversity.

We at Sonepar Italy live in a particularly unbalanced sector, in addition to the type of sector another key distinction depends on whether the sector is B2B or B2C, business to business or business to costumer. In business to costumer, it is easier to achieve gender balance, it is more difficult in business to business. We Sonepar Italy are in a Business-to-Business sector and operate in the electrical equipment sector, therefore not particularly attractive for gender diversity. Because we are a huge company, because in Italy there are not many companies that do a billion and a half in turnover, we are in a sector that is historically more male than female. Because our average customer is an industrial installer or a civil installer, so he is typically a man. At the same time, this doesn't mean anything, at Sonepar we approached the subject of gender diversity a couple of years ago, mainly at the instigation of the parent company, but one interesting thing the head of region told us was that on these issues we must not stop at saying that it is typically a male sector, we must work to make it a more balanced sector in terms of gender diversity, I must say that this statement, even though we used as an alibi the

fact that the sector was male and the customers were male, in these days we are certifying for gender equality so we will be one of the first companies operating in the field of distribution to be certified on gender equality because we have a strategy on gender equality, which is necessary regardless of the sector, there needs to be great commitment at the top of the company to want to improve this balance in terms of gender and we did it a year and a half ago, as we are a large company the results are not very fast but in recent years we have seen interesting incremental data.

We even in logistics, in the two large distribution centers, so in a typically male environment, we have a percentage of women around 21%, because we have also given our administration partners the clear indication that we want to have a different mix in logistics as well, because there are characteristics that compensate and improve. I have a team of all women and I am happy because they are better performers, more precise, more delicate, more intelligent; therefore, I am more favorable even if it is easy in human resources, we thought it would be more difficult in logistics, but we still achieved important results, and we also achieved them in central services. Here in Padua, we have the head office and more or less we are around 45% women and 55% men, where we are still very penalized is in our distribution network, i.e., in our points of sale, we are a company with 168 points of sale in Italy and there we are still struggling to improve the incidence of women. At the company level we are around 13.5% because there are so many of us, so the good 20% of logistics and the good 45% of central services then drowns in the network and collapses into a paltry 13.5%, but we have set ourselves as Sonepar Italy by 2026, which is the impact plan to get as close as possible to 20%, even the group within the purpose has the ambition to have 40% of gender mix. In Italy we will struggle to get to 40 but already 20 I think can demonstrate our commitment to gender diversity. So, the important numbers are distribution centers just over 20 per cent, central services more or less 50/50, in our shops we are still poorly placed, and the total is 13.5. The auditors, although we are waiting for the official wording, have already told us that we are certified for gender equality, because our processes are designed to neutralize the tendency to recruit, to always have men, but we don't want to experience certification as a medal to put on our jacket but as a commitment we have made, as a process and as a journey. HR journeys are not journeys that begin and end but are cultural, mindset journeys; therefore, we expect to improve our ability to be attractive to diversity in general and gender diversity. Diversity then can be of various kinds: of background, ethnic, religious, age and we in our diversity equity and inclusion policy try to think about all aspects of diversity. It is obvious that gender diversity is the most obvious but, in the company, we try to have a more holistic and comprehensive view and we try to work on the various aspects of diversity.

I: So, in terms of best practices, what is Sonepar Italia doing to promote diversity and inclusion in the company? And specifically, what is it doing to reduce the gender gap?

P: The main starting point is to have metrics because if you want to improve something you have to start measuring it. According to this review of 29 June 2022 we monitor heads as they move, projects, HC by function, personnel costs, staff, the actions we have done and those still to be done. We in the network part so excluding central services and CEDI where we reached 21 and 50, here we put a lot of attention because according to the numbers we struggle the most. The South and Islands division is the most difficult of all because there is also a cultural aspect where women do not always have easy access to work, where they do not always choose to work, and various aspects have an impact, but we monitor the number of women and men out of the total, divided by region, and we see what age group they are in, what seniority they have in the company. On the people who leave the company we go and see how many men and how many women were hired, how many men and how many women left, what are those who left were and what age those who arrived were, there is a lot of focus because it is the area where it is hardest, it is easier to find a woman who wants to work in human resources rather than in administration, finance and control, rather than go and sell electrical material.

For us, diversity is an issue that also encompasses different abilities, so we go and see how many disabled people, how many 104, how many non-EU.

The Southern Division has done professional development operations for some women because to do good diversity management you have to be inclusive. Diversity is the ingredients of the cake; inclusion is the cake. We have to work on diversity but at the same time we have to work on our ability to be inclusive and make sure that this diversity finds expression and the possibility of expression equal to that of others, otherwise you create a diversity ghetto in the company. My suggestion is never to talk only about diversity but also about inclusion; in fact, our project is called DEI (diversity, equity, inclusion) for a more holistic view of diversity. We have a very good best practice because we have done a partnership with the people who organize the canteen that recruits autistic kids for food preparation and we have one of the kids who tidies up and organizes, this shows the real desire to include kids with disabilities. This results in CSR, corporate social responsibility i.e., we play not only a role to produce income for the shareholder, but also a social role in society.

I: Does inclusion take place through training? How do you favor this process of inclusion?

P: Inclusion is when diversity is no longer perceived as such but is part of the total, it becomes part of the whole. Inclusion is about giving equal access to everything that other categories have access to. When we talk about meritocratic policy, we carefully evaluate the percentage of women who are promoted, who are given the increase compared to the total and compared to the percentage of men, for career promotions we look with the same attention if we offer the same opportunities to women or

to non-EU citizens, when we make access to training we see if the same opportunities are granted, inclusion is to totally integrate and make that part of the system, of the corporate body that is trivially labelled as different, feel part of the whole. Inclusion is when you cancel the concept of diversity.

I: So, when is inclusion part of the corporate culture?

P: Same access, same possibility of career advancement, same possibility of salary increases, same possibility of access to promotion. The divisions make commitments, first we measure and then we make the management structure according to the territories make timely commitments to improve the situation and we improve it, that's why we describe. So, the first step is metrics, the second is commitment, so strong commitment. Formally, a few weeks ago we had a management committee, and I had the entire management committee sign the strategy document on gender equality, because this is a game that human resources cannot play, these are cultural changes that involve the entire structure and not just one function. So, metrics, commitment, and action plan, in the last phase are all initiatives. In the beginning there were initiatives in terms of information, awareness, and training. We did specific training against cognitive bias and against micro-aggressions, we have a portal to report harassment and an infrastructure to support the minority to make them feel protected. At the beginning we did a zero point on the whole organization to understand where we are and make sure that people understand that it is a strategic goal of the company and that it is important for us because often people don't realize that they are acting against diversity, it is easier for a man to hire a man because they talk about football, it is easier for a man to hire a man because they talk about football, they have themes in common, while it is more difficult to integrate with a woman, so we must beat on this to make people understand that a woman can bring a different approach, skills, methodology that once integrated with the rest of the company creates greater value, and in fact all the statistics say that companies that have worked well with diversity tend to perform better than others.

So, diversity is not just a mega trend that multinationals want to follow but statistics say that it is a value creator. The more diverse the company, the more value is created for the organization. We have been lucky because we have a management that is very attentive to these issues and so we have started but there is a long way to go. Among the action plans is the rewriting of some operational procedures, such as recruitment, where the shortlist of three candidates must include at least one woman. Every year we do an academy to recruit young graduates and we put a selection constraint of 50/50, whereas in past years we did not have these objectives and constraints. If we had recruited 20 boys, it would have been fine already. When you start moving on these terrains the first mindset to break down is our own, we have to nurture diversity and not stop at the idea that our business is not angry and based on

the numbers we are having satisfaction and culturally we are making evolutionary steps even if we are still far from other companies operating in other sectors.

I: What are the main advantages of having more women in the company and including them better?

P: I am telling you this from someone who only has women in the team, I think there is a completion because women have their own characteristics that complete and improve the mix because it is also risky not to have diversity in terms of defining strategy. The woman as such offers a different perspective from yours, a view on things, on people on actions and on the daily vision that is different from yours and from these different points of view you see that the sum makes 3 and never 2, you always see the added value that comes from diversity, and I am talking about various types of diversity. For example, if you have to do a project, you put in a man, a woman, a veteran, a very young person who has just arrived, and it is diversity that makes you grasp all the nuances and makes you manage the project better, otherwise you become self-referential if you always refer to people with the same point of view, cultural background and professional history, you close yourself off and limit yourself. Today the world is so tumultuous, VUCA (volatile, uncertain, complex, and ambiguous), in such a context the organization's ability to gather input from different perspectives is useful to try to neutralize the context we are in because you have already considered different angles of perspective. In my direct experience, women are more precise, more lucid, better performers and if I can choose, I always choose a woman over a male.

I: At the level of company performance, have you noticed an improvement since you started this process of inclusion?

P: We can't say that the correlation between having started a path regarding diversity and company performance is a stress but management books and those who have studied the phenomenon have identified this correlation that more diversity corresponds to better company performance.

I: The critical issues and difficulties encountered in the inclusion process?

P: As mentioned earlier, there is a question of perception, of language, of bias, the biggest problem in diversity management is that very often, especially where there is little, people unconsciously do not facilitate diversity. You have to make people aware that banter is not nice, depending on who perceives it and who receives it, in a male environment it is not easy. One has to beat, retort, and make people understand. We have to be careful how we communicate diversity. We have to raise awareness and

learn to use a different meaning and approach and the difficulty is to neutralize in people's minds their habits that have been stratified over years of work, the form of male camaraderie that becomes almost

jovial and in some contexts is acceptable while in others it is not. The correct management of diversity and inclusion is to bring the value of respect within the organization, not to judge too easily, not to be influenced by the modes of expression that a woman may have as opposed to a man, but from direct experience I can say that it is very complex to use one's own language, it is a long process in which one must never give up in order to reach desired targets. We have to reiterate, communicate, inform, raise awareness, punish. There is no secret, but it is a long journey made up of many action plans.

I: I imagine it was also difficult to work with the stereotype of the woman far from the electrical equipment industry

P: Absolutely, it still is, and that's why we have had less difficulty in the distribution centers and central services, because there are enough women with degrees in accountancy or economics, but there are fewer who have done technical schools such as industrial technician, but since we are a technical-commercial company, I have always told the girls who work with me that we have to select by aptitude not by competence, because you can educate and compensate for technical competence.

I: How do you think the D&I scenario and in particular the gender gap will evolve in the coming years, especially Sonepar?

P: In my opinion, the new generations are smarter than the previous one, because they almost don't perceive it as diversity. In my generation you notice diversity, the new generations don't even notice it. It will evolve that this will become normalized, diversity will be perceived less and less as such. The new generations will bring the cancellation of diversity and perceive work not in an immersive way but with more work-life balance and more flexibility. In fact, we have to act and work on the employee value proposition to be more attractive to the new generations. That is why I see moving on the path of diversity and inclusion as necessary to attract the new generations. If I could make my industry more attractive if I only recruited men before, I could double the talent I attract for the future. The attractiveness of talent and competent people is the big challenge for the next 5/10 years for all companies, so you have to do everything to be more attractive, because the world of talent attraction is difficult and very competitive so either you are at a good level, or you risk getting the rejects.

P02 – 280423 Interviewee: Anna Piras Date interview: April 28<sup>th</sup>, 2023 Gender: Female Profession: HR Organisation Training and Development Manager

I: Speaking of your career path, what is your direct experience and what difficulties do you find, or have you found with the topic of Diversity and Inclusion?

P: Personally, no direct difficulties in the sense that I have been fortunate enough to have had a satisfying career path so I have not found any major obstacles, certainly ours is a somewhat penalizing sector, but not because there is no desire on the part of the company to allow access to the world of women, but because normally the training courses we do make it more difficult to find female candidates in our sector, so the incidence of female presence is very low. In my case, I have held roles that are not strictly related to business because I started out as an administrative manager, then I became a Control and now I am an HR Business partner, so I deal with human resources and I have not had any difficulty in accessing this world because my background is not technical, what I can say is that in reality we have the opposite problem, i.e. we have difficulty in recruiting women within the organization because it is not an attractive sector for men and women to the same extent

I: In your opinion, what is the state of Diversity in today's companies in Italy, with particular reference to the gender gap? And what is the current situation in Sonepar Italy?

P: I think the gap is still wide, but I'm not convinced that there is resistance on the part of companies in this direction, but that it's mainly a cultural discourse and one of interest because in fact when I talk about cultural discourse, and so I'm not referring to our specific sector, I'm referring to women's willingness to access challenging career paths, there are difficulties in reconciling family life and work. Women find it hard to leave children at home, especially when they are small, so there is a tendency to give up a career to devote more time to the family, and I think that this gap will not be overcome until legislation itself imposes equal time distribution in childcare. When the distribution is 50-50, there will be a cultural transformation that will lead parenting to be more equally distributed between dad and mum. Today, fathers have 10 compulsory days while the rest is taken up by mothers who then have to manage the family/work balance in an unbalanced manner.

As far as Sonepar is concerned we are working a lot from this point of view because it is one of the future objectives in terms of sustainability of the organization, in fact in Italy we are further behind

than other countries because in the rest of the world Sonepar has reached 25%, while in Italy we are far below and therefore we have very strong inputs and we are working to obtain certification on gender equality as a path towards equality, we are working to ensure that access to back office positions, but also related to the core business, is directed equally to women to ensure that they consider us attractive in their career paths, despite the sector they come from. We are working on the postings, on how to publish the advertisements so that they are perceived equally by both men and women.

I: To make the company more attractive, apart from the ads, have you had other initiatives at Sonepar? How are you doing this?

P: In addition to the advertisements, we make sure that every time we open a selection, the number of female candidates is equal to the number of male candidates and there is no bias, prejudice, unfair approach in the evaluation of candidates.

I: So, in terms of best practices, what is Sonepar Italia doing to promote diversity and inclusion in the company? And specifically, what is it doing to reduce the gender gap?

P: First of all, we are trying to have a heterogeneous group composition in terms of origin, culture, and geographic origin, especially in the pathways aimed at introducing young people. Since we are a company present throughout the country, geographical differences are also important because the local markets are also different, so what we also favor is cross-fertilization and therefore the desire to transfer experience to different contexts, encouraging mobility within the territory, we make sure that within the groups, especially in the Academy project, which involves young people between 20 and 30 years old on average, from different backgrounds, heterogeneous in terms of culture, ethnicity, gender, and then we are also trying to make inclusive paths in favor of disability because Sonepar considers diversity as an element that strengthens the corporate culture and therefore as a value within the organization. As far as gender equality is concerned, we are trying to adopt initiatives that also favor the improvement of work-life balance, allowing those roles for which it is appropriate to do so to work in smart working, for some roles this path is not feasible, such as for point-of-sale workers who need to have a presence in the workplace, while for all central service activities there is the possibility of working 2 to 4 days a month in smart working. After that, we are trying to encourage initiatives aimed at women at the end of compulsory maternity leave to guarantee a certain flexibility of hours and make it easier for them to return to work, and also encourage parenting in a more equitable manner and guarantee the possibility of giving compulsory leave for fathers as well; so, we are trying to take initiatives that go towards improving gender equality.

I: Since we have also talked about the differences between local markets, do you think there are differences in Italy in terms of managing the gender gap between North/Central and Southern Italy?

P: In my opinion I would make more of a distinction between regions, there are regions that are much more open, probably also due to contacts, historical path, external influences, which are not so much linked to the geographic area as North/Centre/South, but just as the cultural openness of the regions. Obviously, where the employment incidence of women is higher, this denotes a greater openness, but not so much linked to willingness as to the availability of work; therefore, if we make an assessment in terms of employment opportunities, certainly in the North, but this is irrespective of the gender issue. It is clear that when a family unit, even a young one, has to make a choice, where there are no great job opportunities it tends to be more the man who chooses to go to work rather than the woman, especially if there are no supports and social services that favor it. There is certainly a responsibility of companies in favoring parenthood or gender equality, but there is also a responsibility of the authorities to guarantee facilities and services that allow women and fathers to work comfortably without having to worry about who to leave the child with after working hours, such as nurseries.

I: What are the main advantages of an inclusive work environment?

P: Meanwhile, where the corporate approach is in favor of these policies, the general willingness of everyone and the approach of members of the organization is also more natural. In some companies where certain pathways are less advanced, it is more difficult to access certain rights that are legally guaranteed but are not in fact guaranteed, because in a purely male working environment where no one asks for parental leave, the one man who does ask for it may find it difficult because he feels a bit different, whereas where the working environment is more heterogeneous in all respects and therefore includes more types of diversity, the work environment is more inclusive and therefore it includes more types of diversity, it is easier to feel comfortable and take advantage of these opportunities that companies provide.

I: I imagine that as a woman you can feel more comfortable with people who share this corporate culture.

P: Absolutely, in fact it's a question of climate because when people find a positive, favorable, and inclusive working environment, I believe that the value and contribution they are able to make is also much greater than in working environments where everyone is less free to express their needs, more

forced to comply with policies that are not shared. I believe that the corporate value system must be consistent with the corporate value system of individuals, if a distance is created it is difficult to share corporate policies.

I: What are the main difficulties you face when it comes to Diversity & Inclusion initiatives in your company and when it comes to decreasing the gender gap in your company?

P: It depends on the areas, being more inclusive is easier in some company areas than in others. For example, referring to different ethnicities, work in the warehouse requires less interaction, while in other company areas interaction is necessary and when there are language problems because they may not speak Italian well, it is more difficult. Given that Padua is the distribution center where the presence of non-European immigrants is much higher, language courses have also been organized to support education in this sense and foster relations between people with shared needs. As for the difficulties in narrowing the gender gap, I can also speak from experience and my career path has not been affected by being a woman or not, and we are also very attentive to salary aspects, the choices of classification and remuneration are not linked to gender or other differences, they are tied exclusively to the skills and experience of the employee, so the evaluations we make through the processes that require us to review at least twice a year on these issues, so we analyze the organization for the application of the meritocratic criterion that is tied to experience and skills. We work by role, and it is clear that a junior figure cannot be equal to a senior figure, but neither can there be excessive differences in pay within the same role, and in terms of grading, pay plans are linked to skills and experience.

As a woman, I tend to keep my ears open, especially with women, because it is more difficult to place them in the roles of our core business, and where there is an interest in growth in that area, we are always very willing to welcome and accompany them. About a couple of years ago I did interviews with the women in my division to understand what kind of propensity they had, what their interest was, and whether we could build pathways for them to grow, and in many cases the willingness to maintain the status quo in order to maintain a work/life balance proved to be the case. Sometimes it is not always the companies that favor pathways, but it is a cultural issue, given the lack of equality in family, home and family management in general because regardless of age, care is first directed towards the children and then we reach the stage where it is directed towards the parents, but even then, it is more women who take care of the parents.

Until we achieve fairness from that point of view, it will always be a bit more difficult to make career paths equally accessible to men and women, but by women's own will.

I: From the point of view of reducing stereotypes and fostering more of a corporate culture geared towards diversity and inclusion, have you taken any initiatives?

P: Yes, last year we did a training dedicated to top management because we started with top management and middle management and everyone was involved in a training activity that highlighted the biases that sometimes we don't even realize, but also simply in making jokes, it is usually thought that people from the North have a more haughty attitude than those from the South when in fact in the training activities we found situations where Neapolitan colleagues addressed colleagues from the Veneto in a haughty manner with the stereotypes that are created. This initiative made us realize that depending on how things were said, they could disturb those who were present at the communication or those who were the receivers of that information. I believe that in 2023 we are organizing training on the same issues that will embrace the entire corporate population because last year we only started with top and middle management also because not only at an Italian level but at a group level there is a desire to foster a corporate culture that is open to diversity and inclusive, because opening up to diversity is easy since you just have to hire people but making the environment inclusive requires the will on the part of everyone to make everyone feel at ease.

I: How do you think the D&I scenario and in particular the gender gap will evolve in the coming years?

P: At Sonepar, I don't think there is any other way but total openness as the path has already started and is becoming more and more impactful in the sense that it has become one of the purposes of the company itself and I believe no member of the organization cannot be involved, for Sonepar it will be a process accompanied and therefore speeded up by the group itself and the will of the division. In general, other countries are further ahead than Italy and here the process will be slower because in companies until it is the management that gives a very strong push in this direction it is difficult for the rest of the organization to work alone in this direction.

Specifically on gender equality as far as Sonepar is concerned, the path is pretty well mapped out because we recently did an assessment to get gender equality certification and if everything goes well we will also get the certification because we are working to implement concrete initiatives that favor a fairer working environment, that allows women to achieve a better work-life balance and to work in a more inclusive environment because the difficulty for us is also that we work in a very technical sector and having the opportunity to feel comfortable doing a skills development course makes it easier. The more women we can include, the more natural it becomes. I believe that the path we have taken is the right one and will lead us to have an all-round inclusive environment.

#### P03 - 030523

Interviewee: Fabiola Carini Date interview: May 3<sup>rd</sup>, 2023 Gender: Female Profession: HR Business Partner Schneider Electric

I: Talking about your career path, what is your direct experience and what difficulties do you find, or have you found with the topic of Diversity and Inclusion?

P: I was very fortunate to have worked in two companies where, in both, there were issues related to feeling included as a woman and as a young person. The theme of inclusion can have a thousand different facets depending on the corporate culture. The two companies I worked in were very different for me in this respect. In the former company, especially in the production plant part, there was a diversity theme in the blue-collar part where there was male or female preference depending on the type of task, on the accuracy required, on lifting weights. The Diversity & Inclusion theme itself was not part of the core values of the company, I didn't even know what inclusion was when I worked there, I lived it, I took it partly for granted but it was not stated by the company. At Schneider it's so much a part of the culture that every year everyone has to self-evaluate, can give feedback to their colleagues, and gets an evaluation from the manager on how inclusive they are, where inclusive for us means gender and generations. Today, five generations all live together in the company, so from the very experienced to the new graduate who is 18 years old and has to learn everything; therefore, there is a very close coexistence where being inclusive means having the ability to listen to the other's points of view and to make him feel part of something bigger despite his knowledge, previous experience or characteristics, precisely because of the fact that we are able to value diversity. At Schneider there is an anonymous redline that any employee can open to report cases of non-inclusiveness. It is a number you can call, a ticket you can open on the computer in which the act is specified and listed, the person who did it, whose anonymity is guaranteed because then there are out-of-country lawyers who intervene to get to the bottom of what happened and then there are more or less serious disciplinary actions depending on the extent of the fact; so, let's say that we are encouraged to be inclusive from the moment we hire people from the company.

Working well in a team also means being inclusive with all the people in that team. I have not seen incidents of non-inclusiveness in general, it might seem non-inclusive not to look for a person with that specific experience, but in practice there are business needs so that to do certain roles you need

that competence and we are gearing up to have an internal training school so that everything that is not already part of people's knowledge we can integrate as much as possible with a training course. But we say that inclusiveness does not exclude specialization, instead when we hire, we are careful to have a pipeline so that the number of resumes to be presented to the different managers is as equal as possible between the number of women and men. The goal is to arrive every year at hiring 50% women and 50% men, and in our sector this is very difficult because being metalworkers with the electrical address of automation, women are extinct by nature; therefore, it is a market that has 70% of men and 30% of women, we have to arrive at 50-50 so sometimes it seems that we hire more women than men but in reality we have to compensate for an intrinsic divergence in our sector.

I: In your view, what is the state of Diversity in today's companies in Italy with particular reference to the gender gap? And what is the current situation in Schneider Electric Italia?

P: In general, in the market what I'm seeing, also through LinkedIn announcements, is that companies starting with multinationals and then the more structured ones the theme of inclusion is increasingly a focus theme especially in joint stock companies, joint stock companies today are very focused on the theme of inclusion and sustainability. Among the items in sustainability reports is the topic of inclusiveness and gender equality. This is often reflected in practices and processes within the company, I am thinking of all the welfare systems within the company to reconcile work/life balance, which concerns men and women and considers people's lives in 360°. Often at Schneider Electric we participate in working groups with different companies to understand what inclusive practices can be brought into the company. There is no longer a conflict of companies where everyone keeps what they do to themselves, rather there is a sharing because that would be a poor war. All multinationals put in place similar practices, what makes the difference is the consistency between practices, processes, and corporate culture, this is the balance that at Schneider we try to put in place. In Schneider, on the practical side, we have activated a policy called Global Family Leave, which is an agreement we made with the union to give people more days paid by the company to take charge of family/work reconciliation, for example, more days than in the contract for the bereavement of a family member, medical visits for people who do not have the 104 and should take leave for that event, instead they can accompany a family member or use it themselves. In the case of paternity, we have almost doubled the days available and in the case of maternity we are already well covered by law. At our headquarters near Bergamo, we have a company nursery, but at all other locations we have a welfare system that allows us to pay nursery fees or family expenses with welfare, i.e., tax relief plus a contribution from the company. To new mothers and fathers, we pay a master's degree called Maternity ESA Master, which over time has become Life ESA Master because it has also been extended to fathers and is a

digital master's degree followed by a certification that allows you to make a transition between the skills that in the parenting phase a person exercises such as multitasking, time management, in the world of work are the same skills that you need, so it is to see the management of private life as a training for work and vice versa, as well as resistance to stress and other soft skills.

In addition, we have mandatory training for all employees on the inclusiveness part and rules of conduct that are part of everyone's daily routine at work. Regarding the process part we have the pay/equity part so every year we do a salary review, so we give salary increases to people and in these increases, we pay attention to the pay equity part, if a man and a woman play the same role; so, if they have the same weight of the position their salaries have to be as aligned as possible in terms of experience. Where there are discrepancies, we invest a budget to ensure that these discrepancies are compensated for over time. The other process is the recruiting process, we make sure that there are 50 per cent women and 50 per cent men hired, and then there are all the internal processes, for example, of performance appraisal where in addition to the results we bring we are also appraised and evaluated on company values and inclusion is one of the core values we have. In terms of culture, it translates into two macro-spheres, one is that of collaboration, in Schneider to achieve results no one can do it alone and therefore the ability to work as a team and make inclusion a daily practice is a very important aspect. The other important part is to feel that you belong to a company that makes inclusion an important feature and aspect. Usually, people who display non-inclusive attitudes are automatically picked up by other employees to change their attitude.

I: How did you combat the stereotype of the distant and unsuitable woman in the world of electrical equipment?

P: There is the compulsory training part for all employees to do every year, called Essential, these are short 20-minute trainings with a final test specifying what the ethics and way of working at Schneider are. In addition, a person joining Schneider must sign the code of conduct, otherwise they cannot be hired. In addition, there was training for all managers with respect to bias and inclusive behavior to be adopted with a kind of role playing to understand the correct behavior to adopt in certain situations, and we also trained managers to ask situational questions in the selection phase. Today in every team there is at least one woman and in the more technical contexts it is more difficult because it is hard to find a female engineer, although the number of female members has increased but this is because many companies have the same objective of 50-50 recruitment, today being a woman means having more on offer as companies are more attentive to equality. I would not reduce inclusivity to gender, another important aspect is the issue of generations, so all the processes of mentoring, of passing from generation to generation, of knowledge and training on the job that have to be done to ensure

transmission of skills, change of approach that can enable us to satisfy customers. In terms of sexual orientation, I have never seen in my experience any kind of difficulty, it is not something that is hidden or even emphasized. There are no initiatives in particular because it's a personal issue and everyone chooses whether or not to share it.

I: On the other hand, with regard to differences in language, culture, how do you manage them?

P: In this it helps us a lot to be a multinational, in the sense that in Italy there are positions where the person must necessarily know Italian. I'm thinking for example of working as a saleswoman in an airline in Italy, customers ask us for Italian. For people coming from other countries there are language courses, and we introduce the person into the role. The network we have is first at European level and then at world level, if we don't have the possibility of introducing the person in Italy, we refer them to some colleagues abroad. We have a good multiculturalism in Schneider perhaps because we already see a different multiculturalism in the university than a few years ago.

I: What are the main advantages of an inclusive working environment?

P: It's a question of feeling a higher degree of respect, working in a company that reflects my values. Since I have a personal need to want to know more points of view, to want to go deeper into what I don't know, this helps me a lot to identify with Schneider. Having a culture of respect, if you respect others, others respect you and this means having a sense of belonging, I feel I can be myself, I'm not embarrassed to raise my hand and ask a question, this is a very stimulating aspect that helps everyone to grow. When I was talking about innovation, I meant exactly this, the fact of getting around a table and being able to discuss freely and then produce something new and different compared to what there is today. What we can offer customers is really a lot, and in this a lot there are different areas of specialization, the trust in activating the customer who has a particular specialization and bringing him to your customer, becomes a strategic aspect also to get more results.

As a company this means having a performance recognition system that is based on respect; so, if two colleagues worked together to bring orders to the customer, in terms of performance both of them are recognized and this goes back a lot to the theme of collaboration and reliance on each other. If we only had individual goals, inclusiveness would serve little purpose because individuality would emerge, and the level of conflict would be very high. To assess inclusivity. every year we have an anonymous survey called OneVoice, which all employees take in which we assess engagement in the company; so how motivated are you to work here, how much would you recommend it to a friend of yours, how challenged do you feel, how inclusive do you think Schneider is and how inclusive do you feel you are

in Schneider from 1 to 10. This when there are alarm bells going off is very useful because it can help relaunch messages, communicate practices that are already there because not all employees might know them or add new practices.

I: How do you make the sector attractive in the eyes of female candidates?

P: In each of our advertisements it says what the values of the company are, what the mission is, and the part related to inclusiveness. Even on the company website there's a part dedicated to Schneider's value proposition on the people side, so there's the theme of inclusiveness, of being meaningful so giving meaning to the work that people do, and of being inclusive and innovative.

I: What are the main difficulties you face when it comes to reducing the gender gap in your company?

P: One difficulty in the recruiting part is to hire one person at a time, it is more difficult because you raise resistance, you tend to hire the copy of the person to be replaced; therefore, it is difficult to hire a recent graduate for the experience part. In order to be more inclusive, a few years ago we created the Academy concept, so the fact that we give recent graduates or new graduates an immersive experience in which we pay room and board for about three months and these people follow a training course in which we tell them how Schneider is made, what role they will be doing and the training part on how to become professionals and soft skills before everyone goes to their area and within their role. This helps a lot to create a community. It allows us to be more inclusive because at this point the search requirements are lowered and we ensure equity within the Academy itself as the composition of the people who participate in the Academy.

The other way is to train managers, which has helped a lot because sometimes it is difficult and it can be a roadblock as to why a woman should be hired, because often the team is made up of only men and we can't afford it and we consider it an added value to hire a woman. You have to force the hand to make the result inclusive. At each one is not chosen for the person but for the person's skills and experience. Today in every country in Italy there is a D&I leader who is the contact person for what concerns practices, what is done at Diversity & Inclusion country level, every month there are meetings at European and world level to share best practices, to compare and to hear the experiences of people who have changed roles, who have felt or not felt included, and from this point of view there is a guarantee of homogeneity in what is done throughout Schneider.

I: How do you think the D&I scenario and in particular the gender gap will evolve in the coming years?

P: I hope we don't talk about Diversity & Inclusion anymore because when something is 100% part of the culture and values, I think it can be emphasized as a differentiating value but not as a must. This year it is in our values because we had to maximize, to push, to make coherence, I hope that next year it will be put under another point of view which can be innovation, teamwork. I hope it will go in the direction of no longer having non-inclusive behavior and I believe that in a company a person should feel recognized and bring results regardless of diversity. I would remove the word diversity because the word inclusion is not just inclusion of diversity, but inclusion of the person per se and not of his or her characteristics and get to see inclusion not as a must but as something that is inseparable in values that are then the core values for the company and for the business.

P04 - 040523

Interviewee: Elisa Maragno Date interview: May 4<sup>th</sup>, 2023 Gender: Female Profession: HR Business Partner Division Center Italy

I: Talking about your career path, what is your direct experience and what difficulties do you find, or have you found with the topic of Diversity and Inclusion?

P: I started my career in consultancy, then I entered the production area of a large company and then the distribution area of another large company. I perceived important differences in the different areas with respect to how women are perceived, the consultancy world was very respectful, we were many women, and I didn't experience situations where I felt discriminated against or that I received jokes or similar things about my gender. When I lived in the production environment, a factory with more than 1,500 people, I worked in the offices but there was interaction with colleagues when we went to the canteen and on various occasions of confrontation and there no one ever disrespected me, but the male approach to female colleagues who were in the minority was perceived in the looks, in the attitudes, some jokes went around, perhaps not directly posted. In my career as a manager, I have not suffered discrimination of any kind, then my job is that of human resources where there are women, so I have not perceived any discrimination against me.

I: In your opinion, what is the state of Diversity in today's companies in Italy with particular reference to the gender gap? And what is the current situation in Sonepar Italy?

P: Now there is a very strong tension on this issue, we at Sonepar as a group have felt the need to be very active on this front so much so that the parent company has created a system of governance with respect to all diversity, has identified figures who are dedicated to promoting diversity in the company, heterogeneity and the creation of a respectful environment that allows you to express your diversity in the company. Within the group there are countries that are already far ahead in this course, such as the United States, and countries where it was the first time the subject was addressed. As Sonepar Italia we benefit from this commitment of the parent company that has pushed all its managers to build a strategic plan related to diversity and we are working with a very strong focus on gender diversity, background diversity and disability. With respect to gender diversity, we completed last Friday an

assessment with respect to our gender equality management system that will allow us to certify PdR 125. We have passed the auditing assessment and I believe we will be officially certified in mid-May.

I: In terms of best practices, what is Sonepar Italy doing to promote diversity and inclusion in the company? And specifically, what is it doing to reduce the gender gap?

P: A first point is to increase minorities, particularly the female gender. So, we are working to ensure that our recruiting processes always have female profiles, we are trying to communicate in a more attractive way towards women, and we are also trying to eliminate possible biases that occur during the selection process. Everyone who does recruiting has been trained to be aware of the biases that can occur and we are also building a monitoring of the recruiting process that allows us to identify and measure in statistical terms how many males and females come in as applications, how many we interview and how many are then placed, so that we can see if any suspicious parameters emerge statistically in the way we do selection. Our top managers have among their objectives, some linked to this element of female presence in the company they are called upon to employ. Certification is an important step because it is a starting point, it has led us to build a management system aimed at promoting gender equality, so recruiting monitoring is one area but there are also actions related to work/life balance where possible because where there is contact with the customer it is more complicated to allow more flexibility in working hours while in the central services where there are offices and there is no face-to-face contact with the direct customer it becomes easier to allow some flexibility. Smart working at headquarters is more complicated because the counterman cannot work from home.

We try to promote the theme of parenthood, on this we are now taking the first steps, promoting parenthood also for fathers is a way to promote greater equality for women as well. In addition, we also have the issue of reporting harassment for which we already have a procedure in place called WhistleBlowing, whereby if there are cases colleagues can report harassment whether they have suffered or seen it.

Since we have not yet received any reports on this channel, we are activating a new channel dedicated to harassment, since WhistleBlowing also lends itself to reports related to commercial or business malfeasance not only related to harassment, so to give the right attention to this issue we are about to start a dedicated procedure. Another good practice, we have a massive selection process called Accademia Sonepar Italia with which we recruit every year, even several times a year. This year we're doing the second edition in June 2023, where we recruit young people who do a training course before being placed in the company, they do four weeks of classroom training. We pick them up from all over Italy and based on where we have placement needs, we bring them to Padua for 4 weeks, all expenses

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paid and financed through Formatemp, and they do train on our products, on the basic knowledge of electrical equipment that you need to have and also on sales techniques, our systems, marketing, knowledge of the organization. The curriculum has been readjusted to accommodate people who do not necessarily have a technical background. So, we increased the hours dedicated to the basics of electrical engineering to allow us to include more women in this course, because it is more difficult to find female appraisers, so by building the program in this way we were able to include many girls in the course. From having zero last year we had 10 out of 17 participants and this year's edition had 7 girls in the group, let's also see in the next one to include more young women.

I: You told me that you also focus on background differences, what are the best practices and initiatives you are adopting?

P: On the difference in background, this Academy is an element because it also allows us to include young people who are not experts; therefore, we bring in people from all study profiles. We have also increased the presence of profiles from different ethnic backgrounds, especially in the distribution center, and we have equipped ourselves to give Italian courses to the people who come in because we don't always find ones who know the language well; therefore, we try to facilitate their inclusion in this way.

I: Regarding biases, stereotypes, how did you go about working on cognitive biases?

P: We started last year by doing the training with seminars of 2½ to 2 hours, we started with the top managers by first training them and then we went to all their first reports; then, we trained all the management in all our areas on these aspects. The entire company population will now take a pill on cognitive bias that the parent company created that explains the concept of stereotype, bias, and explains with practical examples how to recognize a bias or stereotype with respect to discrimination, how to identify micro-aggressions and then avoid them. We will start with top managers this year on the topic of harassment to make them aware of this risk and similarly we will cascade to all the others the following year.

I: In your opinion, what are the main benefits of an inclusive work environment?

P: Definitely the possibility to express ourselves freely, which can activate a lot of productivity in the sense that then the heterogeneity of background, gender, approach to work, because there are so many

freedoms and they are not the ones visible in outward terms, but they represent us in all our peculiarities, so creating an inclusive environment gives everyone the opportunity to express themselves according to their own characteristics and this can create value because it is representative of the external context and therefore when you go to work you take into account points of view that might be missed if we were all male, 50 years old and Caucasian we might not realize certain needs that the client might have. There is also a range of considerations to be made in terms of employer branding and recruiting that we have to consider so that we don't miss out on women, I believe that the great value is in having people who are serene, who work willingly, who can express themselves and who can contribute in terms of productivity and expression.

I: In your opinion, what are the main difficulties you have encountered in reducing the gender gap in the company?

P: The recruiting part is a major stumbling block, because we currently have 13% women in the company, which is very few. In fact, with respect to the sector we are in, the situation is very similar to that of our competitors, because ours is a typically male business, but also in terms of the ambition we set ourselves is not satisfactory. So, a big difficulty we are having is recruiting women, then as we get more of them, we will find other difficulties. To date, the few that are there have their place and no criticalities have emerged either in terms of pay or in terms of anything else. We have criticalities in terms of representation at managerial level because if we don't have any, we also struggle to have any in key positions. So, as we move away from this issue of representativeness then we will also be able to work on all the other elements of women's development. In any case, development opportunities are equal in the company.

In the sales outlets it is more difficult for there to be women, there are, there are branch managers, but it is difficult to create them because there are no people to develop in this sense, there are no people who have technical experience behind them.

I: So, in order to make the sector and the company more attractive to women, you are moving towards ads in which you promote diversity and inclusion?

P: We are making sure that the ads are not just expressed in the male language, that they state that the selection is open to both sexes, that they are also attractive to a woman. Then with respect to our social channels we have published the gender equality policy on the website, the parent company has enriched the website a lot on the subject of diversity and inclusion. In our social we are doing posts that go in this direction, we did a post on 8 March on the theme of embrace equity, we showed in the post our

girls in the distribution center of which we are very proud because they were recently included. We do different communications related to gender equality, inclusivity that we want to push in the company.

I: How do you think the D&I scenario and in particular the gender gap will evolve in the coming years?

P: We have ambitious goals because the group wants to push itself to high percentages. The more we populate the female presence, the more we will discover new attentions to devote to this universe. I assume that work/life balance will have to be enhanced, maternity support tools will have to be elements to work on, and we already have ideas on this that we are preparing for. So, we will continue to improve our approach to equity. If all goes well, Italy, which is a country with a very strong female employment rate, could benefit in no small measure, we count on having an impact on the social level as well if we all work in this direction.

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Interviewee: Francesca Ravellino Date interview: May 4<sup>th</sup>, 2023 Gender: Female Profession: HR Business Partner Schneider Electric

I: Speaking of your career path, what is your direct experience and what difficulties do you find, or have you found with the topic of Diversity and Inclusion?

P: No, personally I have experienced two different companies that were both multinationals, one American and the other French; therefore, one American and the other European, and this already has a different impact culturally on the topic of Diversity. Despite the fact that in terms of policy and culture they were slightly different companies, I can't say that there were any particularly critical episodes in my experience, other than the great focus on this issue over the last 10 years.

I: In terms of best practices, what is Schneider Electric Italia doing to promote diversity and inclusion in the company? And specifically, what is it doing to reduce the gender gap?

P: Schneider was quite precocious in terms of the market context in Italy, it started at least 15 years ago with Diversity Management and one of the first things they did was to identify at a global and local level a contact person who would take responsibility for coordinating all the activities on the subject, making sure that the activities were developed and monitoring them over time. This was to create a more present structure, indispensable for change management practices, to have more control and awareness of what is happening. Being a multi-control, from the moment the central corporate decides it was a way of trying to make sure that the central policy was respected in all countries. The D&I leader interfaced locally and globally with the whole group all the time and then brought the plan of action back to the local level having a possibility of local customization, as each country has its own political/legislative system. The D&I leader brought various action plans that evolved over time. I describe them to you by dividing soft and hard, the part more related to cultural change management and the part where we forced and tried top-down activities. On the soft side there was an important focus on well-being, trying to bring elements of well-being into the life of the employee by focusing a lot on being a woman as a mother, a professional and a gender, within a sector that was historically male for academic and scholastic reasons, in the past there were few engineers and technicians.

Examples of well-being were yoga in the company, a survey showed that yoga was something that a percentage of women wanted to practice during their lunch break. In addition, we signed up with an external company, an external provider a kind of master's degree for mothers. A training course for when a woman becomes a mother, this master has evolved over time because this is a living system. We used to focus on the woman becoming a mother, now it focuses on parenting. To make women understand that period when you take time off work the company does not abandon you but pays you for the master's degree you can do during maternity leave and you do it because the company believes that in that period you will train skills as you never did in your life, thanks to the change management that maternity brings, and then bring those soft skills back to the company. We set up a series of coaching sessions for women who felt they had issues to deal with and develop, and we always did this after microanalyses, surveys, interviews done twice a year. On the hard side, the actions on gender pay equity come to mind, at the salary level we allocate a budget every year dedicated to employees that is part of the annual process called salary review, every year the group gives us a sum that we can then allocate as a salary increase for each employee with the meritocracy filter. Alongside this budget, we have had another budget dedicated only to women to close the gender gap on the salary side. In terms of balancing the percentage of how many men and how many women you have in the company, for 10 years now we have been allocating another budget every year to make investments in terms of human resources, to increase the number of employees, and these investments we make 80% women and 20% men because otherwise we would not succeed given the lack of female engineers and ITIS graduates.

I: So, among the difficulties is the fact that there are few women in your sector?

P: Yes, that is the basis, 7 years ago it was a problem of culture but today there is not a lack of will, there is a problem of starting numbers.

I: With regard to reducing stereotypes, working on cognitive bias, how did you go about it?

P: We did train on the HR side and then we cascaded it over the whole management side, we invested in the decision-makers both in terms of selection and internal role changes because the organizational impact is much higher, and we have it in the pipeline for the next few years to go downstream on all employees. Training was done on how to evaluate an assessment when you have a heterogeneous population and in the behavioral interview, because often in situations cognitive biases emerge.

I: Regarding multiculturalism, what initiatives have you had?

P: Proactive initiatives no, historically we have always been international. We usually have interns who come from various countries such as Belgium, France, Germany. We often exchange interns with other countries that want to do international exchanges. There is a figure within the HR team called the Talent Manager who is dedicated to international development who is ambitious to make an international career.

I: For Age Management, what initiatives have you had?

P: The budget dedicated to bringing women into the company is invested in the same way for young people, to make the company sustainable over time.

I: What are the main benefits of an inclusive work environment?

P: It's more fun, I can see the difference compared to 7 years ago. It is fuller of input; we innovate a lot more than before due to the presence of different heads.

I: What are the main difficulties you face when it comes to decreasing the gender gap in your company?

P: Passive discrimination. Sometimes as a woman I find that we do so much for the attention to women that it almost seems as if there is discrimination against men. There is a tendency to have academies composed only of women, to allocate more budgets to women.

I: How do you think the D&I scenario and in particular the gender gap will evolve in the coming years?

P: There will be less need for policies. There will be less needed to focus on issues. The company will have to become more flexible and resilient in terms of acceptance and inclusiveness. We struggle today if a person who comes from another country doesn't decide they want to learn Italian because we are an industrial reality, we work with workers who basically can't speak English; therefore, it is necessary for our employees to speak Italian, we can't afford to hire people who don't want to learn Italian because

it is a necessity, today the market only speaks Italian. The micro aspects of diversity, gender age and culture will become embedded in the company. With regard to being inclusive with respect to what is not yet considered standard, there is still a lot of work to be done.

# **EXECUTIVE SUMMARY**

## Introduction

Diversity Management is a corporate management theory that originated in the United States in the mid-1990s with the aim of identifying ways in which a company could actively and strategically address diversity.

The term 'Diversity Management' is used to describe corporate policies aimed at enhancing the diversity of the corporate population, in order to improve corporate performance through the increased motivation of employees, given that they feel comfortable and free to express themselves in an inclusive work environment, and through the exchange of views between people with different ages, backgrounds, cultures, sexual orientation, psycho-physical conditions, etc.

The goal of the study, concentrated in the Italian context, is to comprehend the organizational difficulties businesses encounter while implementing gender diversity management practices, as well as the benefits and drawbacks of doing so, the approaches taken, and the prospects for this phenomenon in the future. Examining the latter will provide greater insight into its causes, firm policies on gender equality, prospective developments, and the implications of gender equality in businesses.

To validate the research and bring two concrete cases of Gender Diversity Management in Italian businesses, five semi-structured interviews were conducted with HR figures from two multinational companies with subsidiaries in Italy, namely Schneider Electric Italia and Sonepar Italia.

# **Chapter 1: The Diversity Management**

## **DM** in Italy

In the member states of the European Union, legislative harmonization with respect to nondiscrimination on the grounds of sex, racial or ethnic origin, religion or belief, disability, gender, age, or sexual orientation officially arrived in 2006 with the amendment of Article 13 of the Treaty, leading to an epoch-making reflection and the first application of DM theories. Italy, as a member of the European Union, shares the position of the European Commission in promoting active diversity policies. The development of Diversity Management policies in Italy dates back to the early 2000s, following changes within the labor market. The latter, due to globalization and the evolution of Western society, has evolved to become increasingly diversified. Four phenomena have led to the diversification of work in Italy: the rise in the presence of women in companies and in the labor market, increasing presence of immigrants, the lengthening of average life expectancy and the attention that companies have started to pay to the placement of disabled workers. The concept of Diversity Management was consolidated in this country in 2009, after the Sodalitas Foundation presented the 'Charter for Equal Opportunities and Equality at Work': a declaration of intent aimed at spreading an inclusive corporate culture and policies, without discrimination and prejudice, capable of enhancing talents in all their diversity, making them a strong point. Today, some 500 companies, 300 non-profit organizations and various public administrations such as regions and local authorities, adhere to the Charter. However, it should be noted that Italian companies, being mostly small and medium-sized, find it difficult to apply these policies as it is riskier for them to take on the additional costs and risks required to change their business approach into a system aimed at valuing diversity. Large companies and multinationals, on the other hand, albeit a small minority, are increasingly focusing on Diversity Management. With respect to Disability Management, the work began on the placement of persons with disabilities, following Law No. 68 of 12 March 1999, called 'Rules for the Right to Work for the Disabled'. In the aforementioned legislative text, the term 'targeted employment' was used, highlighting the change in perspective: from a mere obligation to hire, it became an obligation to 'hire through targeted action' persons with disabilities. The concept of targeted employment thus made it possible to shift the focus to the potential and resources of the disabled person, by virtue of which the latter can be chosen to join a company, just like any other employee without a disability. Shifting our attention instead to the inclusion and respect in the world of work of people with different sexual orientations, it is important to recall that Law no. 76 of 2016 (the so-called Cirinnà Law) introduced the institution of civil unions into our legal system, providing for the legal recognition of same-sex couples with consequent repercussions in the sphere of work. The adaptation by employers to the legislation affects several instruments of labor law, namely, the leave of absence equal to that provided in the case of marriage. With respect to Age Management, in Italy demographic projections and the rise in the retirement age are inducing companies to reshape their organizational policies, making them increasingly inclusive of over-50 professionals. Focusing instead on Cultural Diversity Management, attention should be paid to data on the employment of foreign workers and immigrants in Italy. The latter is in fact one of the countries that receive the most immigrants in the world. Today, there are almost 5 million foreigners present in Italy. Companies are therefore destined to become an increasingly multi-ethnic and therefore multi-cultural system, and for this reason they must commit themselves to implementing and promoting welcoming policies to prevent the onset of difficulties in coexistence between cultures, so that it does not lead to conflict and discomfort in the workplace.

#### **DM and inclusion**

Inclusion is a key word for a successful company because it is able to make the diversity present within it a real added value. Over the years, the idea that managing the diversity of people within the

workplace can be a relevant factor for business success has led to the development of a series of policies aimed at breaking down barriers, differences, hostility, and conflicts. It goes without saying that in an environment where everyone feels comfortable and can express their diversity, people are under less stress and work better. In order to implement it, it is necessary to involve all the stakeholders connected to the work context (employees, management, customers, suppliers, institutions, etc.) and encourage them, through concrete actions, to broaden their vision of favoring inclusion in the company.

To contextualize the concept of Diversity Management, reference can be made to Corporate Social Responsibility, where Human Resource Management is instrumental in building an organizational culture increasingly supportive of differences.

# **Types of DM**

There are many diversities, as we have mentioned. According to Loden and Rosener (1991) there are two main categories by which diversity can be distinguished:

- Primary diversities: those that are part of a person's innate heritage and cannot be changed such as gender, age, ethnicity, and religious belief.
- Secondary diversities: those diversities that can be acquired and, therefore, modified over time such as educational and professional background, experience, role within the company, income, geographical location and so on.

Policies are adopted at company level to reduce the gaps that originate from several areas of diversity. Diversity management is applied in six key macro-areas:

- Cultural Diversity: every culture brings with it different values, customs, and often religious beliefs.
- Gender Diversity: Gender Diversity Management is about enabling both men and women to realize their potential by offering them equal opportunities.
- Age Diversity: Age Management is defined as a set of interrelated and functionally structured company operations that aim to recognize and enhance the strengths of employees, considering their age.
- Disability Diversity: The inclusion of disability, physical or mental, at work involves activities and initiatives aimed at promoting and encouraging the career of differently abled people and limiting as far as possible the negative impact that the disabled employee might encounter in the workplace and within the group.
- Diversity management for lgbt+ diversity: it involves initiatives with the aim of fostering an environment of non-discrimination on the basis of sexual preference and gender identity.

#### The Diversity Manager

The Diversity Manager is the HR professional specialized in valuing diversity and creating an inclusive work environment. He is in charge of enforcing inclusion policies in the company to promote the integration of diversity.

There may be resistance of companies to the introduction of this figure in the organization, and this is usually of two types: human, linked to the conviction of management which consists of perceiving diversity as an obstacle and not as an asset; historical/sectoral, linked to the experience and historicity of the company that has never questioned diversity because it has perhaps been under-represented during the time, for example because the company operates in a predominantly male work segment. It is not necessary for the Diversity Manager to be a structured figure within the company, however, it is necessary that there is a sharing of guidelines, processes and objectives with top management or ownership if it is a family business, and that a common path is defined, but it is not necessary for him to be structured within the company, since he could be an external consultant too.

#### **Critical issues and benefits of DM (Theories about DM)**

According to liberal approaches to diversity management, the way to decrease inequality in organizations is to provide members of disadvantaged groups with the same skills and resources that, in principle, members of privileged groups already possess (Gagnon & Cornelius, 2000). According to some studies, the approach to diversity management can be legitimized in two different ways. In the first perspective, diversity management has economic value, as it is profitable in monetary terms for companies that adopt this management approach (e.g., Robinson & Dechant, 1997). The second relates to the idea that individuals or organizations possess a kind of 'responsibility' towards society, humanity, or other individuals (cf. Gilbert et al., 1999). There's really conflicting information about how much diversity can provide a competitive advantage. On the one hand, proponents of the information decision approach (for example, Cox and Blake, 1991; Iles & Hayers, 1997; Richard & Shelor, 2002) assert that when diversity is well managed, it can boost creativity, leading to greater commitment, job satisfaction, as well as a better interface with the market. Supporters of social identity theory, on the other hand (for example, Ely and Thomas, 2001; Ibaarra, 1993; Kanter, 1977; Tafjel, 1982) are more pessimistic. They assert that diversity undermines cohesiveness, lessens communication, and creates in- and out-groups. As a result, there is conflict, distrust, poor quality, an absence of consumer focus, and a lack of market orientation. Other positive effects of diversity management that have been identified are loyalty, turnover intention, job satisfaction and the climate that is created within the organization (Herring, 2017; Manoharan & Singal, 2017; Singal & Gerde, 2015). Wright, Ferris, Hiller, and Kroll argue that

companies, through effective diversity management policies, are able to reduce costs and improve stock performance. Effective diversity management provides a competitive advantage over organizations in which this organizational process is not so effective. According to Tanachia Ashikali and Sandra Groeneveld, DM would benefit all and thus boost positive attitudes and behavior of all employees by creating an inclusive work climate. Employees are more likely to feel affectively committed to an organization if they recognize a large level of social exchange between the company and themselves (Van Knippenberg and Sleebos, 2006). Employees are more likely to engage in organizational citizenship behavior when they feel supported, valued, and treated fairly as a result of diversity management (Shen et al., 2010). Individual OCB entails assisting others. DM includes actions like courtesy, cheerleading, and peacemaking. Helping others consists of cooperative and spontaneous behavior such as assisting them or avoiding the development of work-related problems, as well as contributing to interpersonal harmony (Organ, 1997; Paillé, 2013). It also promotes employee cohesion, good relationships with coworkers, and a sense of belonging to the team, which may aid the organization in retaining employees (Paillé, 2013). In "Managing Cultural Diversity: Implications for Organizational Competitiveness" published in 1991, Cox and Blake sustain that the right diversity management practices can result in a competitive advantage on six areas which are: less costs thanks to the reduction of turnover, an organization more flexible, easier acquisition of resources, since an organization characterized by a well-managed diversity increases the reputation facilitating the recruiting process, improve of marketing practices, since a diverse group can respond better to the variety of needs of customers, more creativity which is allowed by the multiples points of view, and more ability in resolving problems since the variety of the group is a stimulator for the employees. On the other hand, it has been identified, by Kravitz in 2008, the possibility of a "backlash" effect, it means that the groups which are outside of diversity practices may feel like "outsiders," and this can keep them adverse to diversity programs. In addition, in "Managing diversity in organizations: An integrative model and agenda for future research" (Guillaume et al., 2014) it is affirmed that majorities may perceive their organization's overall status as declining and may answer to that by taking distance from the company, since the excessive diversity inside the group can lead people to identify less themselves with the team, and this undermines the feeling of belonginess of the employees. A study carried out in 2000 by Kirby and Richard revealed problems related to: the perceptions of an inclusive climate, the opportunities for advancement, which should provide for equal pay and levels for all employees, but which the presence of qualified and unrepresented groups and the failure to train certain categories have led to an almost 'reverse' discrimination towards those categories that were considered to be advantaged until recently, the distribution of power, as within companies the most important decisions are made exclusively by top management, and this does not mean inclusion.

In addition, some companies are held back from investing in Diversity Management because of four main types of costs:

- Organizational costs: addressing the issue of diversity means studying a new, and often more structured, personnel management systems strategy, not to mention the costs involved in implementing diversity policies.

- Opportunity costs: part of top management and executives' time is in fact "transferred" and directed to the creation of new business solutions.

- The implicit costs related to cultural change and the possible failure of programs to change corporate culture, the success of which requires prolonged time and effort.

- Legal costs: the investment required to implement legal obligations concerning equal opportunities at work and the costs due to the transposition of regulations.

# **Chapter 2: The Gender Diversity Management**

## **Inclusion and stereotypes**

For many centuries the term 'woman' has been synonymous with 'good wife and good mother'. Even when, with the advent of industry, they were able to enter the labor market, they were always subjected to worse conditions than men. The first steps towards greater consideration and equality did not occur until after the Second World War, when factors such as falling birth rates and the need to contribute to the family income favored an increase in the labor supply for women. Focusing on the factors and aspects of the activities that contribute to a 'masculine' culture in the company, it can be stated that, companies consider that it is the working hours that are the main unattractive and unfavorable aspect for female workers and female candidates, followed immediately by leadership, language, and manners, which underpin the culture. One of the main difficulties is that some jobs are characterized by production processes that require availability in terms of working hours and, in some cases, even mobility, but there are also stereotypical and prejudiced beliefs that some sectors are thought to be 'masculine'.

## Gender gap in Italian companies

From the Gender Policies Report 2022, the publication of the National Institute for Public Policy Analysis (Inapp), which every year takes a snapshot of gender differences in the world of work, it

emerges that in Italy employment is growing, but the gender gap is not closing. In fact, despite having reached 60.5% in recent months, the highest value recorded since 1977, the employment rates of men and women continue to remain distant (69.5% and 51.4% respectively), with a gender gap of 18%. The unemployment rate for women stands at 9.2 per cent against 6.8 per cent for men, a gap that increases for young people between 15 and 24 years of age with rates of 32.8 per cent for girls and 27.7 per cent for boys. Sebastiano Fadda, president of Inapp stated that female employment is low, mainly precarious, part-time and in low-paying or low-strategy sectors. Data for 2022 confirm the female specificity of part-time as the main form of entry into employment for women. In fact, out of all contracts activated for women, 49% are part-time, against 26.2% for men. In particular, more than half (51.3%) of permanent contracts for women are part-time. In Italy, one woman out of two works, earns less than their male counterparts, holds only 32% of managerial positions and chooses part-time contracts to a greater extent, despite the fact that they are more educated (58.7% of new graduates are women). The term glass ceiling denotes the set of constraints, of a discriminatory nature, that prevent certain social categories, in this case women, from advancing in their field of work. In recent years, the number of women at the top has been growing in Italy: last year, CEO positions occupied by women increased from 18% to 20% (Women in Business 2022). Despite this, women represent the minority among senior roles. In the private sector mapped by the JobPricing observatory, they make up 17% of executives and 31% of middle managers. Despite reaching a record percentage of women on Boards of Directors in 2021, reaching 41.2%, the vast majority of women are non-executive directors (45% of the total), only 22% of the total are executive directors. The term 'Gender Pay Gap' refers to the difference in average gross hourly wages between women and men, which, according to data, is practically always to the disadvantage of the former. The Italian Public Accounts Observatory of the Cattolica University notes that the average salary for a female university graduate five years after graduation is EUR 1,403 net per month, while a male graduate earns an average of EUR 1,696, generating a difference of EUR 293, or 21% of the female salary. Nowadays the wage gap grows as the level of education increases - reaching peaks of around 30% among those with a master's degree and as age increases, reaching over 17% among those aged 55-64 (JobPricing, 2023). The gap remains high: our country ranks 63rd in the World Economic Forum's Global Gender Gap Report 2021, with a pay gap of around 5.6%, and in third place, in the unemployment ranking for young women (Rome Business School, 2023). Moreover, in the South of Italy, only one third of women between the ages of 15 and 64 are employed (Rome Business School, 2023). In the light of the inequalities characterizing the Italian landscape, characterized by a disparity in employment, wages and tasks to the disadvantage of women, the National Recovery and Resilience Plan (PNRR) has allocated EUR 400 million to achieve the full economic and social emancipation of women. In order to raise the levels of women's participation in the labor market and promote the start-up, development, and consolidation of

enterprises with predominantly female participation, the Ministry of Economic Development established the Women's Enterprise Fund with an initial budget of EUR 40 million, to which PNRR resources will be added. The Fund is intended for women's enterprises of any size, with registered and/or operational office in Italy, already established or newly established, for investment programs for the establishment and start-up of a new enterprise or the development and consolidation of existing enterprises. Law 162/2021 introduced important innovations in the area of equal opportunities between men and women in the workplace. In fact, this law introduced the so-called gender certification. This is a voluntary certification that the most virtuous companies can request, from bodies accredited for this purpose, in order to certify that the company organization complies with the principles of gender equality, in terms of pay and career conditions. Companies that have obtained the certification are exempt from paying contribution charges, amounting to 1 per cent on all employees and up to a maximum of EUR 50,000 per year (Cerved, 2022). From a more general point of view, there is an immediate comparison with legislative decree 254/2016, which requires public interest entities to publish a non-financial statement describing, among other things, the company's business model of management and organization of its activities, also giving an account of the social and personnel management aspects, including the actions put in place to ensure gender equality.

#### Measures to protect gender equality in Italy

With Law No. 903 of 1977 for the equal treatment of men and women and the establishment in 1983 of the National Committee for the implementation of the principles of equal treatment and equality between men and women workers came the real turning point in the topic of gender diversity. Equal opportunities between women and men are a fundamental principle of EU law (Directive 2006/54/EC). According to Article 4(1) of Law No. 125/1991, "direct discrimination" constitutes any act, pact or conduct that produces a prejudicial effect by discriminating against female workers on the grounds of sex and in any case less favorable treatment than that of another worker in a similar situation. Article 4(2) of the Act determines the existence of 'indirect discrimination' when an apparently neutral provision, criterion, practice, covenant, or conduct puts or is likely to put workers of one sex at a particular disadvantage compared to workers of the other sex, unless it refers to requirements essential to the performance of the job and provided that the objective is legitimate, and the means employed to achieve it are appropriate and necessary. Moreover, specific measures have been enacted in Italy over the years to protect gender equality, starting with Fornero Law No. 92 of 2012. The measure establishes a tax allowance for companies to hire female professionals, of any age, in sectors characterized by a strong gender inequality. To obtain the deduction, the sectors and professions must have a male-female disparity rate of more than 25 per cent. Another measure dates back to the end of 2011, the GolfoMosca law, which requires listed companies to reserve at least one third of the seats in administrativedecision-making bodies for women. On 3 December 2021, Italy signed a new law on equal pay (Law 162/2021) that aims to address the gender pay gap and encourage women's participation in the labor market. The law introduces some important changes to the Equal Opportunities Code (Legislative Decree 198/2006), which prohibits any pay discrimination, direct or indirect, for the same job or a job to which equal value is attributed. Companies that prepare the equality report and meet certain gender criteria can apply for 'gender equality certification'. This new certification attests the concrete policies and measures taken by employers to reduce the gender gap in relation to growth opportunities in the company, equal pay for equal work, gender equality management policies and maternity protection.

# **Bloomberg and the Gender Equality Index**

Bloomberg's Gender-Equality Index (GEI) 2022 is a market capitalization-based weighted index that tracks the performance of listed companies that transparently disclose gender diversity data. 21 Italian companies have been admitted to the Bloomberg Gender-equality index 2023. (Valored, 2021).

#### The effects of female presence in organizations

According to a study published by Eagly in 2007 titled "Female leadership advantage and disadvantage: resolving the contradictions," female leaders can be more revolutionary than male leaders, because women outperform men on individual attention, which includes helpful, enticing treatment of subordinates. Furthermore, according to Eagly (2007) and Kesner (1988), since men have better access to leadership jobs than women, women must be more highly qualified than men to gain positions of leadership and this help them to perform better because they can show a more efficient set of managerial qualities, owing to their greater qualifications. Krishnan and Park did a research investigation in 2005 that linked the number of females within the top executives of the Fortune 1000 businesses to their financial success, by considering the period from 1998 to 2000. According to the data, organizations with higher numbers of women in top management had greater financial performance. Other research on significant U.S. corporations in the 1990s found a positive association of the proportion of females on board of executives and the company's financial results. According to Shrader, Blackburn and Iles, as affirmed in "Women in management and firm financial performance: an exploratory study" of 1997, women's contributions can help businesses to be more innovative and change-tolerant by being better used, they add also that an heterogenous workforce facilitate strategic changes and women led the firm to superior performances and a financial gain. In 1995 Rosener affirmed that women in leading roles can encourage the firm to be more flexible and risk adverse, helping the company to gain financially and to develop a competitive advantage. According to a

2018 Ansa survey, the right gender balance in companies brings numerous concrete benefits. The presence of women positively influences the performance of companies by creating wealth and enhancing business. Indeed, for optimal performance, the perfect proportion in teams is between 40% and 60%. This is what emerges from the "Gender Balance" study carried out by the Sodexo Group, examining data received from 50 thousand managers from 70 international companies over the five-year period 2011-2016, with the aim of investigating the positive effects of gender balance in companies. The most important data concern company productivity and employee participation rates which, in companies where gender balance is respected, increase by 8 and 12 per cent respectively. Another indicative value is the increase in workplace safety where, thanks to women, fewer accidents occur and safety increases by 12 per cent. There was also an 8 per cent increase over the average employee retention rate, and a greater presence of women also ensures customer loyalty, with a 9 per cent increase in the ability to retain at least 90 per cent of their customers. This study also found that gender balance, along with an inclusive culture, helps to improve innovation, engagement, and productivity, proving that men and women together are more successful and female talent, commitment and perseverance are a valuable asset to companies (Ansa, 2018).

# **Chapter 3: Case studies and comparative analysis**

### **Objective of the analysis**

The focus of this empirical study is on two Italian companies, Sonepar Italia and Schneider Electric Italia that are multinationals operating globally in the electrical equipment sector, currently engaged in the promotion of Diversity Management practices, where Diversity and Inclusion are at the core of the global strategy. The research is aimed at understanding the organizational challenges that these companies are facing when it comes to Gender Diversity Management, what are the advantages and disadvantages associated with it, the strategies and initiatives adopted and the future prospects of this phenomenon. The choice of these two multinationals is no coincidence; they operate in the electrical equipment sector, which is historically a sector far removed from the female world and not particularly attractive to women, as the latter hold fewer technical degrees in this field than men. It was precisely this lack of attractiveness of the sector for women that prompted me to choose to understand how these two companies are moving to make themselves more attractive in the eyes of female candidates and how much difficulty they are experiencing in managing their Diversity Management policy in general.

#### **Research methodology**

The main research question that will be attempted to be answered, by conducting five semi-structured interviews with HR figures from both companies, is: What is the current situation of the gender gap in

companies and what are the organizational challenges facing companies when it comes to Gender Diversity Management? In addition, for a more detailed analysis of the phenomenon, the following sub-questions will also be answered through the interviews, in order to better analyze the effects of Diversity Management policies at company level:

- What are the advantages of Gender Diversity Management?
- What strategies are companies adopting to reduce the gender gap?
- What are the future prospects of this phenomenon?

This qualitative research was conducted through five semi-structured interviews with HR roles in both organizations. In particular, three people were interviewed in Sonepar Italy, covering the following roles: HR Vice President Human Resources, HR Manager Organisation Training and Development Human Resources and HR Human Resources Business Partner Central Division, and two HR Business Partners of Schneider Electric Italy. People in HR roles were chosen because they manage the company's Diversity Management policies and can therefore provide their point of view based on their direct experience, in a timely and detailed manner. Out of five interviewees, four were women. This choice was made specifically given the focus of the research on Gender Diversity Management, so that they could contribute not only their testimony regarding Diversity Management initiatives and policies in the company, but also their personal point of view according to the inclusion they themselves perceive in the company context.

## **Comparative analysis**

From the analysis conducted through semi-structured interviews and the subsequent comparison between the two companies, many similarities emerged. No differences were found, except for a few more initiatives in one company than in the other in terms of Diversity Management. Being oriented towards welcoming diversity is a fundamental corporate strategy for these two multinationals. It was almost a necessity for these large companies to move towards these issues, since, nowadays, promoting diversity and inclusiveness makes it possible to attract new talent. In addition, corporations are now required to prepare financial statements that demonstrate their corporate sustainability goals, including commitments to diversity and inclusion. The qualitative analysis revealed that, although both multinationals are fully motivated to reduce the gender gap and increase female employment in the company, for both, the objective is to balance the male and female presence at 50%, a major obstacle beyond their corporate efforts is the lack of attractiveness of the sector in which they operate for the female gender. In fact, since it is the electrical distribution sector, it is evident from the statistics that

there are few women with ITIS diplomas or engineering degrees, which means that they preclude themselves from considering a career in this very technical sector. In order to technically train those who lack the skills in the electrical engineering sector, both multinationals have set up a training academy for new recruits, which can bridge their gaps and train them in all the skills needed to take on a role in the company, even without a technical diploma or engineering degree. Moreover, since culturally and historically the electrical engineering sector is perceived as distant from the female universe, both multinationals have had to work hard to combat the stereotypes of a typically male environment. In order to do this, at both Schneider Electric Italia and Sonepar Italia, staff are trained to work on cognitive biases, recognize stereotypes and combat them, in order to align all employees with an inclusive corporate culture oriented towards welcoming diversity. Furthermore, in both companies the starting project is called DEI (Diversity, Equity, and Inclusion) and in both cases the aim is that all stakeholders also share the same commitment in valuing diversity and inclusion. Similarly, both multinationals do not only focus on Gender Diversity Management and narrowing the gender gap but are careful to include all kinds of diversity. In fact, both companies provide language courses for foreigners who are not fluent in Italian, and they are careful to have a heterogeneous composition of the groups assigned to the Accademia project, equally including people of different ages, backgrounds, and cultures, to ensure that everyone receives the same training necessary for their inclusion in the company. Moreover, the meritocratic policy is also reflected here, as there is a focus on ensuring that there are equal opportunities for all in terms of career advancement and salary increases. Furthermore, both Schneider Electric Italia and Sonepar Italia have a platform to report and possibly punish incidents of non-inclusiveness, to make sure that everyone maintains correct attitudes towards everyone within the company. Analyzing the compositions of the governance structure by diversity and inclusion within the two multinationals, it can be seen that at the top, priorities and objectives are imposed by an Executive Committee. Furthermore, for both multinationals there are leaders and members specialized in diversity management who manage and monitor the results of diversity and inclusion strategies and policies. In addition, in both companies, the key role of all employees is to make diversity and inclusion key issues within the company culture and maintaining good conduct in line with company policies is emphasized. In order to help decrease the gender gap in the company, both multinationals monitor their recruiting processes, making sure that the proportion of men and women in the selection process is always balanced, and they are careful to allow equal opportunities for both genders in terms of salary increases and career advancement, according to the meritocratic policy. Both companies allocate a part of the company budget each year to close the wage gaps that emerge from the periodic analyses. To ensure gender equality, both multinationals promote parenting, of both fathers and mothers. Both multinationals guarantee smart working wherever possible

to allow a proper balance between family and work. They also have a welfare system to cover certain family expenses in the area of health and education. Furthermore, surveys are periodically conducted in both companies to find out how included and comfortable women actually feel in the company and to see if there are any areas where gaps can be filled, and in both, employees can report any case of harassment that occurs within the company, anonymously, and depending on the severity of the incident the behavior is subsequently sanctioned. Moreover, in these two multinationals, the focus is not only about increasing the heterogeneity of employees in terms of race, culture, background, age, gender, disability, and sexual orientation, but above all about promoting a corporate culture whose core value is inclusiveness. Indeed, to enable good business performance, it is necessary for all employees to feel welcomed and respected. For this reason, the two multinationals have invested heavily in training, through meetings and online coaching, to work on cognitive bias and the reduction and avoidance of stereotypes. From the testimonies of the HR figures of both multinationals, more or less the same advantages of having a more heterogeneous company composition, in terms of employees and an inclusive culture, emerged. Among the main ones there is the multiplicity of viewpoints that helps to better respond to customer demands and to ensure more creative decision-making. Furthermore, the heterogeneity of working groups today mirrors that of the outside world, which is essential for responding properly to uncertainty, in an increasingly VUCA (volatile, uncertain, complex, and ambiguous) environment, by allowing to take decisions in a more flexible way. In addition to this, a more inclusive environment allows all employees to feel at ease, free to express their thoughts and to be themselves, with their values in line with those of the company, and this is necessary to ensure greater individual and consequently collective performance, in two multinationals where teamwork is essential to achieve results. All HR people interviewed were asked about their future perspectives on Diversity Management and it emerged that both multinationals have high ambitions in terms of diversity and improving the corporate culture, to make it more and more inclusivity-oriented and to make everyone's diversity part of the whole, so that it is no longer recognized as such.

## Conclusions

In Italy, specific measures have been enacted over the years with the aim of protecting gender equality, but, despite this, in addition to working less than men (the female employment rate is 49%, compared to 67.2% for men), women also have lighter pay envelopes, this is due to the fact that they work fewer hours, working shorter hours, or on a part-time basis. There are work sectors in which women find it more difficult to assert themselves. Despite the fact that job sectors offer positions open to candidates

of both sexes, the prejudice persists that certain professions are 'male' and not suitable for women. In fact, to provide two concrete cases of Gender Diversity Management in Italy, two multinationals companies were chosen in this study, Sonepar Italia S.p.A and Schneider Electric Italia S.p.A, which operate in a sector known to be predominantly male, namely that of electrical equipment. The study was conducted by carrying out five semi-structured interviews with HR figures from both companies. The latter revealed their strong involvement in closing the gender gap through attention during the recruiting and compensation processes, but at the same time also one of their greatest difficulties in doing so, namely the sector in which they operate, given the scarcity of women with technical diplomas or engineering degrees in the Italian context. The low presence of women in the company means that there are few of them in senior roles compared to their male colleagues. The process of reducing the gender gap in the company has entailed quite a few difficulties at the organizational level, in addition to making the sector attractive to women, at the process level the two companies have had to readjust their recruiting processes to balance the selection process between men and women. Orienting the company towards Diversity Management, and Gender Diversity Management in particular, entails a major change in the corporate culture, a slow and tortuous process that requires a precise definition of objectives and a consequent setting of the most suitable corporate strategies that entail not indifferent organizational costs for their implementation, not to mention the implicit costs of changing the corporate culture, which, being a difficult process, is not necessarily successful. In fact, working on cognitive biases and reducing stereotypes is a very slow process, requiring continuous training of the corporate population. From one of the interviews conducted, it also emerged that recruiting women into the company is more or less easy depending on where in Italy you are, in some countries women are less likely to enter the workforce due to cultural factors and stereotypes rooted in time. Motherhood is another issue that companies have to deal with when it comes to narrowing the gender gap; in fact, due to their inability to fully devote themselves to work, women are often penalized at work and this makes them preclude themselves from seeking stable positions, or they have to withdraw from the same in view of the birth of a child. In fact, companies are adapting to ensure that women have a fair work-life balance, protecting them during maternity leave, so that they do not preclude themselves from entering or leaving the labor market. In spite of this, these companies are doing their utmost to make their environment oriented towards diversity and inclusion in general, whether these concerns disabilities, cultures, sexual orientation, or different ages, and to make themselves attractive to women as well. The study found that among the benefits of working in an inclusive and diversity-oriented environment is a more relaxed working climate in which everyone feels comfortable and able to have a say. This makes people more productive in the workplace. In addition, working in a heterogeneous environment allows for an exchange of views, which is a prerequisite for responding to the uncertainties

and complex challenges of the external environment. Furthermore, among the future perspectives of the companies taken into consideration, the willingness to reach 50% female employment and to proceed to the inclusion of all types of diversity in the company emerged, always flanked by work on cognitive biases, so that the concept of diversity will gradually become superfluous, with no longer need to apply specific Diversity Management practices and policies. With regard to the presence of women in management roles in companies, the literature suggests that increasing gender diversity not only reduces company risk and improves company performance, but also plays a role in reducing the pay gap at the highest executive levels. It should be noted that, few women currently sit on the boards of large companies, however, better financial performance could result from increasing the presence of women. Therefore, further efforts by companies to improve the representation of top female executives are considered both socially necessary and beneficial for the company as a whole. In conclusion, the semi-structured interviews concerned mostly women and proved useful to learn how they perceive gender diversity in their business context. All four interviewees are aware of the gender problem in Italy which, however, they specify, does not currently concern their companies. They also pointed out that in the past these differences between men and women were much morè accentuated than today. These statements suggest that companies are increasingly committed to reducing the gender gap, even in contexts where the inclusion of women is more difficult, which leaves room for good future prospects for this issue.

#### Contributions, limitations, and future research

It is important to draw attention to this study's weaknesses as well. The size of the sample considered for the analysis comes first. In order to evaluate the current situation of gender gap in Italian companies and to know the strategies that those are actually using for Gender Diversity Management, a larger sample of enterprises should be analyzed. The nature of the companies chosen, namely multinationals and joint-stock companies operating in the electrical equipment sector, serves as another restriction. In fact, it is difficult to recruit women in this sector, so it would be interesting to know the current state of the gender gap in other sectors. Moreover, as multinationals and joint-stock companies, the two companies under consideration have high budgets available for Diversity Management practices. That is to say that, in order to have a larger sample available for research, it would also be good to know how Italian companies with lower budgets, mostly small and medium-sized ones, are managing the gender gap to implement strategies. Thus, for future research one could aspire to a sample that includes companies from various sectors, in order to get a broader perspective on the evolution of the gender gap in companies operating in Italy, and in addition one could consider companies.