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Firm, territory and local community: lessons learned from the Olivetti’s model*

Cristina Simone**, Marcelo Enrique Conti***, Antonio La Sala****

Abstract

The paper discusses the relevance of the Olivetti model and the validity of that entrepreneurial experience based on values such as the concrete community, the territory and urban planning, and a source of virtuous learning to face the tensions of the current socio-economic systems. Through the methodology of the case study, the one developed by Adriano Olivetti is qualified as an arbor vitae business model: a model based on ethics and

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** Cristina Simone, Associate Professor of Management, Sapienza University of Rome, Department of Management, Via del Castro Laurenziano, 9, 00161 Roma, Italy, e-mail: cristina.simone@uniroma1.it.

*** Marcelo Enrique Conti, Associate Professor of Environmental management, Sapienza University of Rome, Department of Management, Via del Castro Laurenziano, 9, 00161 Roma, Italy, e-mail: marcelo.conti@uniroma1.it.

**** Antonio La Sala, Ph.D. Candidate, University of Salerno, Department of Management & Innovation Systems, Via Giovanni Paolo II, 132, 84084 Fisciano (SA), Italy, e-mail: alasala@unisa.it.
community, a culture of innovation and aesthetics in design. Thus, the Olivettian model of the *arbor vitae* is assumed as an ideal-typical model. It can assess the virtuosity or otherwise the possible corporate behavior in the current socio-economic contexts. The article ends by emphasizing the vast cultural heritage left by Olivetti to the city of Ivrea, the company’s headquarters. The Ivrea Olivetti factory became a virtuous model of work organization. It has made Ivrea as a smart land *ante litteram* conceived for man and not exclusively for the often dehumanizing efficiency of the assembly line. Olivetti factory in Ivrea became a model of a work organization while the Ivrea community a smart land designed on the person and not on the dehumanized work of the assembly line: all these reasons have led Ivrea – the *Industrial City of the 20th Century* – to be recognized as the 54th Italian UNESCO Heritage.

Il lavoro discute l’attualità del modello olivettiano e la validità di quell’esperienza imprenditoriale basata su valori quali la comunità concreta, il territorio e la pianificazione urbana e fonte di apprendimento virtuoso per affrontare le tensioni degli attuali sistemi socio-economici. Adottando la metodologia del caso di studio, quello sviluppato da Adriano Olivetti viene qualificato come modello di impresa *arbor vitae*: un modello fondato su etica e comunità, cultura dell’innovazione e dell’estetica nel design. Il modello olivettiano dell’*arbor vitae* viene così assunto a modello idealtipico sulla cui base valutare la virtuosità o meno dei possibili comportamenti d’impresa negli attuali contesti socio-economici. Il saggio si chiude sottolineando l’ingente eredità culturale lasciata da Olivetti alla città di Ivrea, sede dell’azienda. La fabbrica olivettiana di Ivrea divenne un modello virtuoso di organizzazione del lavoro e fece di Ivrea una *smart land ante litteram* concepita per l’uomo e non esclusivamente per l’efficienza, spesso disumanizzante, della linea di assemblaggio: proprio questa profondamente umana quanto illuminata concezione dello spazio lavorativo quale spazio innanzitutto di rapporto interumano è valsa ad Ivrea – *Industrial City of the 20th Century* – il prestigioso riconoscimento di 54° sito UNESCO italiano.

1. Why do we need to learn the Adriano Olivetti’s lesson?

Long after the crisis of the Fordist model (represented, in Italy, by the Fiat experience), the Olivetti’s utopia of a world of networked local communities, which take care of their own territorial and cultural heritage, can constitute an ideal reference for the rebirth of the Italian “post-crisis” entrepreneurial spirit. In this perspective, several ethical and political issues for long time conceived as simple “variations” on the predominant capitalistic theme (e.g. community of care, local identity, relational goods) are now assuming the nature of strategic alternatives for the rise of a new meta-capitalist paradigm.

Each firm inevitably has, in fact, relations with its territory. Even large, multi- and meta-national companies, for their survival, need a *locus* in which nourish themselves and their value chains of a specific natural, historical, cultural and cognitive heritage. Across history, however, this relationship did
not take place within a univocal production paradigm or according to a single evolutionary path.\footnote{Bonomi 2015; Revelli 2015.}

Despite the great support given to the paradigm of “infinite-growth”, in fact, the exclusive focus on a profit-driven capitalism has generated a rising social fragmentation that places the need to identify new welfare instruments, new forms of social protection, conservation and care (e.g. for families), new governance approaches.\footnote{Latouche 2010.} The return to mutuality, therefore, becomes central for the community support and the sustainable reproduction of societies and for the overcoming of the – traditionally capitalist – impasse between welfare and productivity.\footnote{Balbo 1962; Simone, La Sala 2018.} Here, therefore, is the importance of the Olivetti’s experience. Adriano, in fact, believed in the way of life in which one is always exploring, searching, finding new questions and discovering new answers, along the physical, the mental, and the social dimension of living; he believed in the way of life designed to let people achieve their maximum potential.\footnote{Jonas 2005.} Through the wisdom of his ideas, Adriano reminded to the entrepreneurial world and society as a whole that no value can be created without curiosity, creativity, autonomy and freedom. Free from any material impediment and alienation, workers can express, together with their own ideas, their human potential... they can turn themselves from individuals into people; they can give rise to a concrete community.\footnote{Maritain, Mazzolani 1963; Mounier 1964; Bonomi 2015; Sapelli 2018.} Thus, in the eyes of Adriano, community is a superior and spiritual finality, it is the opportunity that men and women have to live their own time at a non-frantic pace, in dialogue and interaction with others, in the widespread and shared knowledge, in transparency and responsibility. Moreover, a “concrete” community cannot be separated from its specific territorial milieu.\footnote{Tönnies 1912; Sapelli 2007.} Value is not impersonal or only shareholders-driven, but it is created for all the actors involved in the project of community: value to invest in self-financing or in higher wages to encourage work engagement; value to invest in welfare and social services for employees; value to invest in continuous worker’s education.\footnote{Olivetti 1955; Gallino 2001.} In this conception, the relationship firm-territory overcomes the idea of territory as a tank of resources to exploit and empty and transforms it into a smart land, a viable social environment of coexistence, where joy and beauty are the guiding principles.\footnote{Olivetti 1959; Olmo 2001.} Adriano’s multifaceted personality, moreover, leads him to deal with social and political, urban and cultural problems with an approach never adopted before. New industrial buildings, offices, houses for employees, canteens and kindergartens, high investments on education and training (e.g. by
providing a corporate library and inviting intellectuals to raise young people’s awareness about the value of culture) gave rise to an articulated system of social services. In the Olivetti vision, in fact, the fate of contemporary democracies was deeply linked to that of “middle lands”, of “intermediate bodies” as spaces for condensation and re-aggregation of people, as a set of relational goods to contrast the even more pervasive and destructive processes of social atomization and individualization. His goal was community wellbeing, the creation of a smart land that would act on emerging local-identity disorientation, community disintegration and social polarization. Adriano concretized this by collaborating with psychologists, sociologists and philosophers to define a work organization that, albeit borrowed from the Fordist model, was different in its essence: he aspired to realize a union between ethics and production, to combine modernization and humanism, to move from product to person. In so doing, Adriano created a range of services not only for employees and their families but accessible to the entire local population. He founded the Center for Social Relations, the Cultural Centers Olivetti, I-Rur (Canavese Urban and Rural Institute for Urban and Rural Renewal) to create municipal and inter-municipal programs to improve the social and economic conditions of the region, the standard of living and the cultural level of the population, to contribute to the full use of the workforce and to promote, create and manage concrete industrial or agricultural craft activities. Adriano, therefore, assumed a central role for the territorial and institutional reassessment of local governance. Ivrea (Northern Italy), the seat of the company, became a concrete community – made of people who interact with each other and with their own territory, realizing their human and spiritual potential – and the Olivetti Company an arbor vitae, a firm that “lives” the land – its history, its culture, its physical characteristics, its values, its tacit and contextual knowledge, its traditions.

Therefore, aiming to deepen the Olivetti’s arbor vitae and its potential application to contemporary social contexts, the following of this work presents an accurate analysis of the Olivetti case study (section 2): origin, history and core business (Section 2.1); the vision of the territory as relational good (Section 2.2); the role assigned to community and people (Section 2.3); the virtuous urban planning and the beauty in the architectural design (Section 2.4). Then the paper will focus on the characteristics of the Olivetti’s arbor vitae (Section 3) and its application and helpfulness in the contemporary social context (Section 4); conclusion and final remarks are presented at Section 5.

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9 Bonomi 2015.
13 Simone, Calabrese 2017.
2. The pillars of the Olivetti model: concrete community, territory and urban planning

2.1 The Olivetti case study: a company well beyond the mere economic value creation

The Olivetti Company played a key role in the Italian industry. Founded in Ivrea (a small town situated near Torino in the Piemonte Region, Northern Italy) in 1908 by patriarch Camillo, the Olivetti was the first Italian typewriter factory. In 1932, the company officially passed from Camillo to his son Adriano who, in 1938, assumed the presidency and became CEO when his father Camillo died in 1943. In 1958, 50 years after its foundation, the Olivetti Group employed more than 24,000 people all over the world\(^{14}\), with several foreign branches in Europe, South America and the USA and export of 60% of production. Adriano, however, goes further. A real cultural revolution, with an extraordinary socio-economic development, happened, in fact, under his guidance\(^{15}\). This success was due to the entrepreneurial conception of Camillo and Adriano: the factory was not just a workplace for the production of goods, but above all a social environment of coexistence, where joy and beauty were the guiding values\(^{16}\). Moreover, Adriano’s attention for innovation made him a man far ahead his times. In the mid-50s he started investing in electronic, computing, data processing and word processing\(^{17}\); he invested in the creation of two laboratories in Pisa and in New Canaan (USA) to carry out research in electronics and computing; he funded a further laboratory in Borgo Lombardo (Milan, Lombardia Region, Northern Italy), focused on computing. The results of these research activities made the Olivetti Group a pioneer in the transistor-based computer market way before IBM and other competitors. Adriano remained at the helm of the company until 1960, when he suddenly died from a heart stroke, leaving behind a strong company widely acknowledged as the world leader in the industry of mechanical technology for office products (cult products are the Lexikon 80, Letter 22 and the Divisumma calculator). Which secret under this unbelievable growth? Concrete community, territory and urban planning. In the eyes of Adriano, value is created for all the actors

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\(^{14}\) Ochetto 2013.

\(^{15}\) Gallino 2001.

\(^{16}\) Olivetti 1949. Facing the technical problems of the Fordist model, Adriano dealt with the relationship among workers and factory. He writes: «In the first technical experiences when I was studying the issues of scientific organization, I knew that men and machines were two hostile domains that needed reconciliation. I knew the terrible monotony of repeated gestures, and I knew that it was necessary to remove the man from this degrading slavery. I had to satisfy myself in the first place to want the “optimum” and not the “maximum” of human energies, to perfect assistance tools and working conditions» (Olivetti 1949, pp. 8-9, authors’ translation).

\(^{17}\) Conti 2006.
involved in the project of the territorial community widely meant. Adriano Olivetti’s leadership, in fact, based its success on the relationship between firm and culture, ethics and territory, people and beauty. Adriano assumed a central role for the territorial and institutional reassessment of local governance: Ivrea became a concrete community, made of people who interact with each other and with their own territory, realizing their human and spiritual potential.

In the era of globalization, in which capital and knowledge are both emancipated from their local dimension\(^{18}\), does it still make sense for a business company to speak of territory and community? If yes, in which terms? A few other concepts such as territory and community were so deeply manipulated and considered as places to delimit or defend “from the foreigner”. A few other resources have been so exploited by firms (irresponsible ones) when treated only as a bone to strip the flesh from. However, in these four decades of end of geography\(^{19}\), territory and community have also been elected by the numerous movements “from below” as a privileged space of social self-organisation\(^{20}\) to defend, preserving the common goods such as the landscape, the cultural, ecological and labor environment\(^{21}\). The same territory, therefore, operates as a collective heritage, a common good\(^{22}\), a highly complex living system whose reconstitution, unlike natural resources, depends on the action of continuous care by the established communities. This treatment has become less and less caring and less consistent compared with the increasing privatization of the assets, drying up the local humus. All these considerations make the community and territory issues dramatically actual not only for policy makers but also for business company too. Much has been written about the territory as a deposit of specific and inimitable resources. Unfortunately, however, it is still seen as something to protect from movements that “empty it out”, changing its social structure and the division of labour. Yet it is also time to begin a reversed speech: it is the time, for a company, to forge its territory. The vision of the territory as a common good is the most desirable for a future of sustainable development: a vision that can be the starting point to experience alternative socio-economic models that avoid overexploitation and excessive wealth destruction and within which companies can come up with a more sustainable reorganization of their productive activities. It is in this scenario that the managerial vision of Adriano Olivetti made him a pioneer. His goal, in fact, was to push the company’s mission well beyond mere economic value creation and his firm’s understanding and social function were immersed in a strong humanistic culture. His way to manage the company merged the efficiency of the Taylorist model of production (learned during his stay in the USA) with a deep respect for territory and human

\(^{18}\) Bauman 2000, p. 126.
\(^{19}\) Virilio 2000.
\(^{20}\) Viale 2011.
\(^{21}\) Bonomi 2012, p. 8.
\(^{22}\) Magnaghi 2011, p. 1.
beings’ value: these were the roots of fruitful relationships between his concrete community and the company, this was his vision, his concrete utopia. Thus, aiming to deepen the Olivetti’s model, in the following paragraphs we will focus on its three main pillars.

2.2 The territory as a relational good

The relationship between Olivetti Group and its territory, rich in meanings and perspectives of analysis, emphasizes on the one hand concepts such as area, space, and region; on the other hand, the physical configuration that it predominantly has. The territory is then described, objectively, as a set of tangible resources, located in a well-defined space and from a broader perspective, as the result of anthropic activity and the never-ending human-environment interaction. Over time, therefore, there is a mutual dependency between firm and territory that is reflected in a rethinking of competitive strategies, which are no longer understood in terms of exclusive competitiveness but rather in the ability to grasp the instances and necessities to nourish community, pursuing the creation of a shared value. The firm-territory relationship is thus a complex reality, a set of different perspectives that reflect the multiple dynamics of the economy, society and environment\(^{23}\): each force, resource, actor helps to stratify and change the identity of the territory, making it time by time different over time. Thus, in the eyes of Adriano, the territory is the balance between “places”, with their own milieu, and “flows” that modify the anthropological and social structure of places by interacting with them\(^{24}\). Strengthening the “community” dimension of places is essential to promote an autopoietic vision of the territory and to regulate in a resilient way the relationship with external flows guaranteeing territorial self-reproduction and development. Territory, therefore, is the founding principle of community: it is a “place of life” where to create a shared moral and material interest among people who carry out their social and economic life in a geographical space determined by nature and history\(^{25}\). In this vision, the social and political project of Adriano was focused on linking firms’ development to territorial community development, to bring out the spirit of the place, to interpret population ways of life and local identity as levers of his socio-economic development model\(^{26}\). Community is the intermediate dimension between the localization of the small centers and the atomization of the metropolis: it is the medium size town, typical of the Italian urbanization. Now that flow dynamics seem so irreconcilable with localism, community is the return to cooperation as an overdetermined principle. The

\(^{23}\) Etzkowitz, Leydesdorff 2000; Garofoli 2009.

\(^{24}\) Georgescu-Roegen 2003.

\(^{25}\) Olivetti 1945.

\(^{26}\) Becattini 2015; Magnaghi 2015; Sapelli 2018.
point on which to reflect, therefore, is to redefine the role of community in re-establishing a shared social, political, economic representation to balance the interplay between global flows and local systems. A lack of balance, in fact, would drain the variety of territories, reducing them to a simple crossroad of global functions.

It is needed, in other words, to understand the territory as a smart land that does not refer to modernization processes as wholly governed by the technocratic logic of flows. A “smart” and inclusive territory, in fact, cannot be completely reduced to a virtual construction of social relations, not interested in acting on identity displacement, community disintegration and social polarization, but it must be conceived as a relational good rising from the values of friendship, mutual help and civic engagement.

2.3 Concrete community and mutualism: towards a meta-capitalist paradigm

Fundamental to Adriano Olivetti’s vision for a new society is the community – a notion which has both an empirical base and a spiritual connotation. As Olivetti described it in 1952: «a community neither too large nor too small, geographically well defined, armed with authority, which would provide in all its activities the indispensable co-operation, efficiency, respect for human personality, culture and art, that by choice has been achieved in the past of a given region, in a single industry». From the start, Olivetti emphasized that the community would be of a human measure, defined by the limits that each person would have for social contact. In this frame, firms were a prominent actor in the local area’s socio-economic development and in Adriano’s vision, managers should have taken an active role in the local area’s life, helping the community to get the better out of the firm’s growth. The company’s duty was to be rooted in the community as an institution. Not only the economic dimension but also the human and the social one, allowing a complete reconciliation of people and community in the firm. A clear example of this consideration can be found in the role of knowledge and higher education in pushing the community development.

In the ’50s, in fact, it was totally absent the perception of the importance of firm-academia interaction to explore new industrial spaces. Adriano, at the opposite, found in collaboration with the University of Pisa an opportunity to

29 Brilliant 1993.
30 Olivetti 1952, p. 3 (authors’ translation).
31 Olivetti 1945.
32 Olivetti 2014.
specialize his engineers. Enterprise, university and State, therefore, interact with each other as a network of (public and private) institutions that initiate, modify and disseminate new technologies through their interaction\textsuperscript{34}.

Moreover, an irreplaceable role has been assigned by Adriano to his employees and their human development\textsuperscript{35}. The entire factory was organized as a comfortable meeting place, and the windows were big to give employees the chance to see all the surrounding buildings, avoiding alienation and stress, and improving their cooperation\textsuperscript{36}. Employees were encouraged to participate in conceiving and designing products\textsuperscript{37} and they had equal career opportunities (so even blue collars could be promoted to managerial positions according to their own merits). Moreover, Adriano established a Psychology Center to increase workers’ wellbeing and a wide range of social services to compensate their effort, combining the search for beauty and caring for people (Carta Assistenziale and Internal Solidarity Fund, nursery and pediatric services, health care services, free transportation are only a few examples)\textsuperscript{38}. Olivetti also cared for schooling his employees by providing them human and art education to increase their culture\textsuperscript{39}: employees had free access to the corporate library (more than 90,000 volumes, newspapers and journals) while, between 1950 and 1964, the Olivetti Cultural Center hosted conferences, concerts, art exhibitions and other events such as political and social debates and literary presentations, featuring prominent personalities such as the historian Gaetano Salvemini, the writer Alberto Moravia and the playwright Eduardo De Filippo. Finally, this concrete orientation towards community also became the cornerstone of Olivetti’s political party: “Movimento di Comunità”\textsuperscript{40}. In the eyes of Adriano, therefore, the community is not merely the ground where men and women live their lives but instead it plays an irreplaceable role in creating a sense of harmony that takes together the identities of people and the culture of the territory. Concrete community is a form of ethical action – a set of objectives that a group of people share by aligning interests and desires towards common ends – that allows the development of social relations not overdetermined by the economic transaction, but by emotional bonds\textsuperscript{41}. Trust in mutual help and solidarity among people is the only force that can

\textsuperscript{34} Freeman 1987.
\textsuperscript{35} Conti 2006; Olivetti 2013; Simone \textit{et al.} 2018b.
\textsuperscript{36} Sciarelli, Tani 2015.
\textsuperscript{37} Piol 2004.
\textsuperscript{38} Gallino 2001; Conti \textit{et al.} 2018.
\textsuperscript{39} Publishing was another activity on which Adriano invested in fulfilling his own philanthropic responsibility: he published Italian editions of seminal works in fields such as architecture and urban planning, social sciences, economics, sociology, political science and took an active role in founding scientific journals on technology, management and organizational sciences and arts.
\textsuperscript{40} Olivetti 1955, 2014.
\textsuperscript{41} Sapelli 2018.
harmoniously hold a community together\textsuperscript{42}. In other words, it is indispensable to believe that inside the community there are moral limits that nobody can nor desire to cross. This ethical economy, built on subsidiarity and primacy of people on the State, is the perspective in which resides a possible alternative to capitalist logic\textsuperscript{43}. The merit of the \textit{concrete community} of Adriano was, therefore, that of providing a model of governance to the wealth created by the community, in the awareness that both consumer practices and firms’ relationships have, first of all, a cultural nature\textsuperscript{44}. This new concept, of which the ethic and responsible enterprise\textsuperscript{45} is the heart, allows and guides the social transformation towards the community, making the people who compose it happier and freer.

2.4 A responsible and avant-garde urban planning: the (concrete) model of the Ivrea Factory

As anticipated, the Community project, already fascinating, is exalted by Adriano’s constant research of excellence and perfection. Adriano, in fact, is animated by an organic conception of society, which implies the need for harmonious and coordinated development: such an idea is the basis for his commitment in the design of territorial and urban plans (e.g. Valle d’Aosta or Ivrea regulatory plan)\textsuperscript{46}. The conviction is that of a necessary symbiosis between industry, territory and local community within a context characterized by reciprocity and complementarity\textsuperscript{47}. Urbanism and architectural culture were the driving force for social development and the key tools for achieving the aims of the Canavese entrepreneur: architecture is the act that gives shape to the instances of renewal\textsuperscript{48}, especially in regions where economic backwardness is felt more. In the ideas of Olivetti, urbanism has to create beauty in the environment and unity in the community. If the balance of architecture reflects that of the social order and the inner harmony of human beings, urbanism also has the duty to create the minimum conditions for a dignified life (e.g. building schools, houses, bridges and hospitals) where economic backwardness is more pronounced or where war has left its heavier burden of devastation. Architecture is undoubtedly the greatest expression of beauty, the most natural encounter between research and the domain of art\textsuperscript{49}. The shape-function relationship is for Adriano at the base of each project: as designers shape the machines and engineers design them, urbanists and architects give shape to the buildings of

\textsuperscript{42} Mournier 1949; Olivetti 1955.
\textsuperscript{43} Mournier 1934, 1964; Hirsch 1980.
\textsuperscript{44} Simone, La Sala 2018.
\textsuperscript{45} Gallino 2001.
\textsuperscript{46} Boltri 1988.
\textsuperscript{47} Barile \textit{et al.} 2013.
\textsuperscript{48} Olivetti 2014.
\textsuperscript{49} Bonifazio, Scrivano 2001; Bricco 2009.
production and of life around the factory. Factory buildings are developed to serve production activities, to optimize work cycles, respecting and constantly improving the quality of life of workers; other buildings are built to meet the needs of houses, schools, kindergartens, health services, sports equipment and youth training\textsuperscript{50}. Consistently to this vision, Adriano involved some of the best architects and urbanists in the project of the Olivetti Factory in Ivrea. The factory, located about 50 km from Turin, covers about 72,000 hectares and consists of an urban and architectural set of 27 assets (buildings and architectural complexes) – almost exclusively private property – designed by the most famous architects and Italian urbanists of the 20th Century and built between 1930 and 1960. These are buildings for production, social services and residential purposes for employees of the Olivetti Group. The set represents the tangible expression of a responsible, sustainable and avant-garde vision of productive relationships and is considered as a model of an industrial city in which the factory assumes the role of engine of social wellbeing, economic wealth and the fulcrum of social relations. These features made Ivrea a virtuous and differentiated industrial city by the fact that it is not a company town, then built from scratch according to a univocal city-factory system. The industrial system is in fact inserted into the urban fabric and integrates it over a period of 30 years\textsuperscript{51}. It is not even comparable to the utopian and philanthropic industrial communities because it is the concrete and not utopian realization of a real economic and social project that allows an exemplary industrial development throughout the second half of the 20th Century. Finally, it is not even considered as an industrial landscape because it is the result of the coexistence of the process of industrialization of the city with the agricultural production processes in which an original project of industrial decentralization in the surrounding territory is also engaged. Urban architectures – buildings, plants, homes, services, routes and meeting places – have been designed in a harmonious and functional way and are an exceptional example of the quality of the proposed solution and the way it is implemented. According to this and to implement his project, in 1954, Olivetti founded the Institute for Urban and Local Renewal, a non-profit organization created to promote depressed areas like the Canavese by fostering entrepreneurship (i.e. opening new factories and creating new and innovative agricultural cooperatives). He took charge of employees’ housing problems, designing and building new residential areas near Ivrea (i.e. Borgo Olivetti, Canton Vesco, la Sacca, Bellavista). These neighborhoods were endowed with main infrastructures like roads and a supply network, to connect them with Ivrea. Furthermore, Olivetti organized a low-cost transport service to avoid unsustainable urban development, and for the same reason, he encouraged the new recruits’ farming activities by giving them a paid leave on Saturdays.

\textsuperscript{50} Renger \textit{et al.} 2000.

\textsuperscript{51} <https://www.ivreacittaindustriale.it>, 02.08.2019.
Olivetti’s initiatives for the community were many and diverse, going beyond the firm surroundings. He financed the Ivrea Civil Hospital and helped to open several free clinics for obstetric care and antenatal prophylaxis in the Canavese area. Olivetti’s idea that the firm had to be tightly linked with the local area was also evident in the plants’ design and architecture was chosen for the Group’s factories. These were built respecting the morphological characteristics of the land and therefore blended in seamlessly with the neighborhood, as shown by the Olivetti plant in Pozzuoli (a small town near Naples, Southern Italy), designed to follow the contours of the land and the coastline of the Gulf in front of it. Moreover, the importance of the landscape beauty spurs Adriano in search of young talented architects and urban planners. He asks them to ensure architectural structures that allow the coexistence of formal beauty and functionality, improvement of working conditions in the enterprise and quality of life outside the enterprise. He had a harmonious vision of the relationship between nature and technology, believing that production and culture were two sides of the same coin. Moreover, to enhance the cultural value of his factories and of his land as a whole, Olivetti entrusted many famous architects to design them and filled them with art. He organized several cultural and artistic events since he wanted «to share culture, aesthetics, and harmony of shapes in the plant’s surrounding.» Therefore, if a shared nucleus can be found at the intersection of the Adriano Olivetti businessman and the Adriano Olivetti policy maker, this can be sought in the constant tension towards harmony and beauty. This tension realized through a combinatorial vision among opposites reconciles, in the eyes of Adriano, production and culture, art and industry, factory and territory, work and life, society and community breaking the diaphragm that separates them and giving them the shape of a new integrated democracy, according to an arbor vitae. In the next section, thus, we will deepen the characteristics and dimensions of the Olivetti arbor vitae model.

3. Learning from the Olivetti case study: the arbor vitae organizational model

Based on the existing literature (fig. 1) and abstracting the theory from the practice, this section focuses on the Olivetti’s arbor vitae organizational model as that of an enterprise that “lives” the land – its history, its culture, its physical characteristics, its values, its tacit and contextual knowledge, its traditions – as

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52 Ferrarotti 2013.
53 Sciarelli, Tani 2015.
55 Weil 1951.
"source of material and immaterial resources, reservoir of living forces and attractions".\textsuperscript{56} The \textit{arbor vitae} firm (fig. 2), in fact, brings in its belly the uniqueness of its territory and at the same time it is an unrepeatable land resource: it is not camped, but it is part of the territory, it is woven in the territorial system in which it participates\textsuperscript{57}, it creates an unbreakable link between what is inside and what is outside the porous perimeter of its community. The \textit{Olivettian} firm, therefore, as the best example of \textit{Arbor vitae firm}, was capable of establishing a symbiosis among industry, territory and local – concrete – community, absorbing from and generating for the environment humanity, beauty and culture. Basing the analysis on the Adriano’s experience\textsuperscript{58}, thus, we aim to generalize the Olivetti’s organizational model as an \textit{arbor vitae} focusing on its three main dimensions: a coherent set of values, a consistent hologrammatic set of firm-specific resources, capabilities and skills and a virtuous impact on the territory\textsuperscript{59}. Concerning the first dimension – the coherent set of values –, the concrete community realized by Adriano is the result of his vision of the territory as a common good, the meta-capitalist logic of profit as mean and not as a goal, the long-term horizon of his firm action. Defining the territory as \textit{humus and common good} means, in the eyes of Adriano, considering the territory as a huge material and cognitive sediment, real humus. Since it constitutes the essential environment for the material reproduction of human life and for the realization of socio-cultural relations and public life\textsuperscript{60}, territory is an asset that has a value susceptible to be shared, which for its fruition and for his enjoyment requires sharing and public participation\textsuperscript{61}. The company, thus, is a core resource in deep connection with its territory. Following the Olivetti’s path, therefore, \textit{profit makes sense as far as it is instrumental for the spread of the wellbeing in the territory}.

The profit is essential and proper when it allows the action and the progress of the company, but it is nothing more than a mean. What supports the development of the enterprise is the spreading of well-being inside the network of relations in which it participates. The company becomes a tool for the realization of a profit in a creative human experiment that aims to improve life\textsuperscript{62}. Profit, value and welfare are substantial stages towards the evolution of the concrete community, but they, even more, require the inclusion of strong ethical values\textsuperscript{63}. Furthermore, Adriano oriented all the created value towards the stability and the wealth of his community. He promoted, through the action

\textsuperscript{56} Schillaci, Gatti 2011, p. 22.
\textsuperscript{57} Poma 2012.
\textsuperscript{58} Becattini 2000; Gallino 2001; Zamagni 2008; Viale 2011; Poma 2012; Bonomi 2015; Magnaghi 2015; Reve 2015; Sapelli 2018.
\textsuperscript{59} Simone \textit{et al.} 2015 and 2018b.
\textsuperscript{60} Rullani 2004, p. 192; Zamagni 2008, p. 12.
\textsuperscript{61} Crouch \textit{et al.} 2001.
\textsuperscript{62} Csikszentmihalyi 1988.
\textsuperscript{63} Olivetti 1949.
Fig. 1. Different firm models depending on the relationship with the territory: a cognitive map (Source: our elaboration from Simone, Barondini 2015; Simone et al. 2018)
of his enterprise and in a long-term horizon, the willingness and the ability to ideate, create and implement not only in his territory but for his territory.

Concerning the second dimension – the hologrammatic set of resources, skills and specific competencies – are those who create a durable competitive advantage, presenting in the arbor vitae company a character that we define as “hologrammatic”. The Olivettian company, as a point of a hologram, in fact, embeds the uniqueness of its area and the specificity of its resource endowment and at the same time, it is embedded in them. Just as a hologram, each part of the Olivetti project is in the whole (i.e. the territory), but in return, the whole territory is in each part of the Olivetti’s enterprise.

Furthermore, a company that lives the territory as a good common shares with its local context methods and practices, interests and antique rituals – taking into account the local symbolic-cultural heritage – and cooperates by following a behavioral principle designed to consolidate relations of trust and to combine efficiency and sustainability. This results, in the Olivetti arbor vitae, in a set of four interweaved key processes:

- generative processes: Olivetti generates in his territory new specific and spreads relational, fiduciary, cognitive, cultural, occupational resources. A great example is the factory of Pozzuoli, designed following the contours of the land and the coastline of the Gulf in front of it to help people to continue their life “before the firm”. Another interesting example is the Olivetti’s HR management approach which encouraged employees to participate in conceiving and designing products, providing them equal career opportunities;

- regenerative and enhancement processes: the Olivetti protects and reproduces the territory for the future generations, promoting the revitalization of the environmental, territorial, productive, artistic, communicative and relational knowledge that could be in danger or be forgotten. As seen in Section 2.3, for example, Olivetti founded, in 1954, the Institute for Urban and Local Renewal, a non-profit organization to promote depressed areas like the Canavese by fostering entrepreneurship;

- attractive processes: the Olivetti is a local magnet that attracts viable resources to the sustainable reproduction of the territory (e.g. he established the Psychology Center, the Internal Solidarity Fund, nursery and pediatric services, health care services);

- diffusion processes: the company spreads its territory on a global scale. In this direction, Adriano focused on the role of the university as a promoter of scientific research to support the future development of the territory. Also, Adriano Olivetti’s attention for innovation made him a pioneer: in the ’50s, he started investing in electronic, computing, data processing, and word processing becoming a pioneer in the transistor-based computer market (e.g. Class Elea, in 1959).
Through his vision, his ideas, his actions, Adriano “told” to the world his concrete community and the uniqueness of his territory as a tale made of humanity, social responsibility, people wealth, happiness.

4. From the Olivetti Company to the contemporary firms: applying the arbor vitae model

The economic and managerial literature is even more focusing on the study of territories, of their local production systems, of their history and vocation as the seed of their new development. Transparency, clarity, social trust and responsible management are emerging, then, as viable alternatives to speculation and to the irresponsibility of many decision-agents and policymakers. In this scenario, as seen in the previous Section 3, the arbor vitae truly represents a possibility to reflect on uncontrolled industrial production and unethical men choices, promoting a more in-depth interest on solidarity and wellbeing, community and personal participation. Thus, aiming to apply the arbor vitae model to the contemporary complex socio-economic contexts, it is firstly needed a reasoned comparison among models of enterprises operating in a territory to
help institutions and policy makers to identify the firms worthier of incentive and protection\textsuperscript{64}. In particular, in deciding on whether to encourage/discourage different organizational models, it might be useful during the decision-making process of policy makers, the analysis of two specific skills: the \textit{ability of engraftment} and the \textit{ability to release}\textsuperscript{65}. The ability of engraftment is a capacity positively correlated with the vision of the territory as a common good, as the result of a set of fiduciary, cultural and social relationships (i.e. \textit{relational goods}): the more the company considers the territory as humus and common good, the more the ability to take root increases. The ability to release is, however, that capacity positively correlated with the possibility of a responsible productive impact on the territory: the more the company triggers one or more of the four processes described in Section 3, the more the release capability increases. At the very base of this logic, there is the search for a model of capitalism, driven by trust, solidarity, harmony and mutualism, built by caring about social (e.g. respect for safety and workers’ rights, information transparency) and environmental impact of firm actions on specific local communities (e.g. respect for the nature and its rhythms, compliance with norms and conventions)\textsuperscript{66}. Therefore, depending on the degree to which these two capabilities are present in the firm-specific endowment, we get four behavioral models, i.e. the \textit{arbor vitae} firm, the \textit{arbor vitae} start-up, the project-based firm, the fugitive/encamped/nomadic/corsair firms.

\textit{Arbor vitae} firm. The company sees and lives its territory as humus and a common good. These are the kind of business models to provide with incentives and to be supported throughout the life of the enterprise.

\textit{Arbor vitae} start-up. It is a rising company that was born with the consistent set of values described above (i.e. the territory as a common good, the meta-capitalist logic of profit as mean and not as a goal, the long-term horizon) but it still lacks an integrated set of hologrammatic resources, skills and competencies due to the immaturity of the organisation, that requires a long-time horizon to be developed and consolidated. For these enterprises, the characteristics and reflections of the proposed model are the goals to be achieved. These companies are potentially able to fully develop the resources and the specific hologrammatic competences and live the territory as humus and as the common good, however, they are entirely unconscious of this.

The qualitative leap occurs when the company becomes aware of the impact of its activities on the territory. It has two objectives:

\begin{itemize}
  \item improving both qualitative and quantitative impact on processes already triggered unconsciously;
  \item initiate the missing processes.
\end{itemize}

\textsuperscript{64} Cortinovis, Geneletti 2018; Simone \textit{et al.} 2018.

\textsuperscript{65} Simone \textit{et al.} 2015; Simone \textit{et al.} 2017.

\textsuperscript{66} Tönnies 1912; Sartori 2000.
**Fugitive/encamped/nomadic/corsair firms.** These are companies that do not see and live the territory as humus and as a common good, and that does not trigger any of the processes that impact virtuously on the territory. They see the territory and their community as a cost, they are not interested in internalizing negative externalities. These models should be discouraged and reoriented towards *arbor vitae* models.

**Project-based firm.** These are enterprises that are born around a project destined to end over a short to medium term, and therefore, by definition, they are not interested and/or intended for the territorial rooting. The lack of ability to take root shall not be construed as opportunistic behaviour, but rather as a physiological aspect of their business. This does not mean that these project-based companies cannot have a positive impact on the territory not only in employment but also in the distribution of valuable know-how: e.g. the Expo 2015 in Milan, the Matera European Capital Culture 2019, and similar cultural, artistic and sporting events such as cinema festivals (Venice, Berlin, Cannes), literature festivals (Mantua, Italy), the Olympic Games etc.

5. **Final remarks: the provocations of a sustainable hope in the Olivetti lessons**

As stated by Storper and Harrison (1991), the main paths to industrialization in modern capitalist economies, and especially that mass production and product standardization are not the only route to successful development. This work enlightens the virtuous provocation of Olivetti’s model in trying to combine economic success and social sustainability. For Adriano Olivetti, the visionary and the social reformer with a new view of the world, the fulcrum to stand the world was the community in which he lived (i.e. Ivrea and the Canavese area situated in Piemonte, Northern Italy), but his ultimate object was Italian society and possibly even more. Adriano Olivetti was capable of rooting in his company humanity, culture and innovation, excellence in technology and beauty of design: he heavily invested in education and high formation, he invited intellectuals to raise young people’s awareness about the value of culture, he founded the publishing house *Edizioni di Comunità* (1946) to contribute to the Italian cultural resurgence of post World War, to give to the people awareness of their goals, their vocations and their responsibilities. Adriano said: «A new society is created only by means of new formulae that are personal and communitarian, and the real community won’t happen by adding a cross to the red flag of the proletarian revolution but will be realized in the

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67 Conti 2018; Conti, Ciasullo 2016.
68 Olivetti 1945; Berta 1980; Serafini 1982; Ochetto 1985.
day by day creation of the new organism of the community, the factory and the region»69. The Olivettian firm, therefore, is both community’s metonymy and synecdoche, capable of establishing a symbiosis among industry, territory and local – concrete – community, to absorb and generate “culture from the environment”70. Moreover, by immersing in its territorial system, Adriano’s firm becomes polyhedral and multitasking: the production function and the profit orientation were harmoniously interwoven with the self-imposed responsibility towards the territory and the community that inhabits it, its culture and its art. Adriano asked: Can a company have a scope? Is this scope only in the profit index? Is there, beyond this apparent rhythm, something more fascinating, a destination, a vocation even in the life of a factory?71. Company’s economic and social problems are always in the forefront, but it is the combination of economic and social aspects that inspire entrepreneurial choices. The Olivetti factory in Ivrea became a model of a work organization while the Ivrea community a smart land designed on the person and not on the dehumanized work of the assembly line: for this reason Ivrea – the \textit{Industrial City of the 20th Century} – has been recognized as the 54th Italian UNESCO Heritage. The motivation is summarized as follows: «The Industrial city of Ivrea […] represents a significant example of 20th-century theories of urban development and architecture in response to industrial and social transformations. […] The Industrial City of Ivrea is an ensemble of outstanding architectural quality that represents the work of Italian modernist designers and architects and demonstrates an exceptional example of the 20th-century developments in the design of production, taking into account changing industrial and social needs. Ivrea represents one of the first and highest expressions of a modern vision in relation to production, architectural design and social aspects at a global scale in relation to the history of industrial construction, and the transition from mechanical to digitalized industrial technologies»72.

The Olivetti firm model – the best example of \textit{arbor vitae} firm – is the heart of a constellation of business models virtuously linked to the territory (i.e. such as the “rooted” company, the “responsible” company, the company “of territory”, the “convivial” company, the company “with a soul”) aimed at creating a “complete production process”73 in which, along with the output, they are careful to reproduce the resources – human, physical and intangible

69 Olivetti 1955, p. 29 (authors’ translation).
70 Gallino 2001; Conti 2006, p. 42; Franch 2010, p. 102.
71 Olivetti 1959.
72 The inclusion of Ivrea and the Olivetti factory in the UNESCO World Heritage list is the culmination of a journey that began about ten years ago, when the National Commission supported this candidacy, which from the beginning had the aim of giving visibility to the importance of the heritage linked to the industrial dimension as an integral part of our country’s social and economic development (<https://www.ivreacittaindustriale.it/ivrea-citta-industriale-xx-secolo>; <https://www.architetti.com/ivrea-olivetti-unesco.html>), 02.08.2019.
assets, as the traditions and culture of the place—used during their production process. Adriano’s firm, therefore, “rooted” in and “responsible” of its concrete community and careful in preserving and implementing its tangible, intangible and human resources (i.e. its people), considers its territory as a humus, a common good, a smart land from which find and to which give nourishment. Community and territory, factory and spirituality: with his life, between ’30s and ’60s of the 20th Century, Adriano created an unrivalled model of wellbeing, prosperity and democracy.

In the current globalized and liquid context where offshoring strategy is diffused and widely adopted, which is the importance of Adriano Olivetti’s lesson?

Today, the issue of the relationship between firm, territory and local community appears to be very topical. Much has been written about the territory as a reservoir of specific and inimitable resources; unfortunately, there is still much to write about defensive offshoring that change industrial landscape and that “empty” the territory by changing its social structure and labor division. A variety of firms coexist in a liquid and finance-driven capitalism society, from fugitive to arbor vitae. The recognition of such heterogeneity (Sec. 3) does not deny the importance of the Olivetti’s experience, but it asks for the levers through which stimulating the arbor vitae model in a such dramatic contemporary economic system. A critical issue arises: is it better to improve the Olivetti’s model through education and entrepreneurship attitude/leadership combined with moral principles, or an Olivetti-style firm can be by itself implemented, even in the absence of an unusual entrepreneur?

A possible effective lever to face this challenge is the redefinition of business models taught in universities and business schools.

A cultural twist from an exclusively profit-driven and short-term oriented firm performance to a multi-dimensional and long-term oriented firm performance taking into account not simply the economic-financial perspective, but also the environmental sustainability and the impact on human development. The Olivetti’s experience can be the starting point for experimenting alternative socio-economic models that avoid both over-exploitation (private conception) and excessive administrative costs (public conception), within which companies can define a more than sustainable reorganization of their production activities.

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74 Preti 2007.
75 Bauman 2000.
77 Gallino 2011.
78 Simone, La Sala 2018.
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