



THE EVALUATION OF INTANGIBLE ASSETS or social and environmental performances has always been a fascinating field of study for scholars and practitioners.

Measuring sustainability inside the company

In recent years there have been basically two different methodologies for this purpose: auditing/accounting measures and classifying/rating for sustainable investors.

Most people and scholars are concerned with these indexes because they cannot predict crisis as they don't really know the company. From the BP environmental crisis to the financial cracks, analysts feel that there is something missing in this kind of measures as we know that, for instance, BP was rated in the top five list of the DJSI till January 2010.

So some business analysts think that we have to change perspective and try to really understand the companies processes to evaluate them. This is one of the output of the RESPONSE project which analysed 19 multinational companies to identify the real factors that determine high or low social and environmental performance. At this stage the pyramid is overturned, analysts should be interested in the evaluation of stakeholders instead of accepting what companies say.

Taking as reference the RESPONSE output two consulting and research organisations: VerA (relations and strategies for the responsible company) and Great Place to Work Institute® Italy with the academic support of Professor **Maurizio Zollo**, create

a completely different methodology called **rewards®**.

THE REWARDS® MODEL: FILLING THE GAP

rewards® (responsible workplace developing sustainability) is built to rewrite the paradigm of the evaluation based on declared data, adding to them the analysis of real perceptions of stakeholders and stressing the internal ones who are the real boost in the realisation of sustainable practices.

Evaluation of **strategies and processes** is based on a deep audit on sustainability and organisation practices, measuring how they are deployed into the business processes.

Perceptions are measured on both internal and external stakeholders through surveys to middle and top managers and interviews to external stakeholders. An important part of the model is the integration of the Great Place to Work® questionnaire and methodology to measuring of organisation's climate. Another innovation is the measure of internal and external gaps. Through some key questions, in fact, **rewards®** evaluates the connection between what managers think of their company and what external stakeholders understand and needs from the organisation. The model also take **personal behaviours** into consideration through interviews to top man-

agement. Finally all analysis are evaluated by two NGOs in free ex ante and ex post fairness opinions which express their opinion on the method and results achieved.

FATER THE FIRST COMPANY EXPERIMENTING REWARDS®

In February 2010 Fater, a joint ventures by Angelini group and Procter and Gamble, in its process of revision of the business model, decides to join the test of this new sustainability measuring model. Fater understood the capacity of **rewards®** to measure all aspects of sustainability in a deeper way than other methods already developed.

Fater gave all the documentations needed to the analysts, invited 180 top and middle managers to answer the sustainability survey, selected 340 employees to answer the climate survey and informed 11 stakeholders that they will be interviewed by **rewards®** experts, finally the 7 top manager were interviewed by a psychologist. In July 2010 the evaluation was complete and Fater had the opportunity to benchmark its performance and understand strengths and weaknesses of its sustainable processes. **Rewards®** confirms Fater's innovation capacity, excellent strategy, favourable climate, showed by employees satisfaction and the high environmental standards pursued in these recent years. ●

RESPONSE Understanding and responding to society demands on corporate responsibility, is an academic study cofunded by European Commission and managed by INSEAD, Bocconi University, Copenhagen Business School and Leon Kozminsky Academy