

GOVERNANCE OF PUBLIC AND NONPROFIT ORGANIZATIONS

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Abstract:

Public sector dynamics have changed radically over the last decades. Two changes have been

particularly significant (Cornforth, 2003): (a) the creation of a wide range of agencies to deliver public services; and (b) the increasing adoption of market-type mechanisms through the separation of the “purchaser” (that keeps being the guarantor of the satisfaction of public needs) from the “provider” role (responsible for delivering the services). These strategic changes have led to a change of the public governance concept. Since the term governance has been used with many different meanings, we have adapted a framework from Jessop (1995) and Kooiman, et al. (1999) in order to specify the main topic of this sub-theme. The framework distinguishes between macro (state or society), meso (networks) and micro (single organizations) levels. Moreover, we suggest distinctions between the notions of governance systems, governance mechanisms and governance roles. A governance system is the set of governance mechanisms for directing and controlling an organization. A governance system is sustained by a series of governance mechanisms, which embody the governance roles undertaken by the various stakeholders; in turn, governance roles encompass the tasks to be performed within each governance mechanism and the relationships between the various stakeholders. We also refer to the term governance in order to understand the new arrangements in public services provision resulting from the shift away from a unitary state to a more fragmented system of government where a range of non-governmental bodies participate in the delivery of public services (Rhodes, 1997). The focus of the sub-theme is mainly on the “micro” or “organizational” level, with particular reference to governance systems, governance mechanisms and governance roles. Thus, the term governance is primarily conceptualized as “organizational governance”, i.e. the systems by which a public or non profit organization is directed, controlled and made accountable. Accordingly, governance deals with the rights and responsibilities of an organization’s governing body, its management, shareholders, and stakeholders (Charkham, and Simpson, 1999). However, we are also interested in how this “organisational governance” relates to the meso- level of governance in the networks within which public service organizations operate. Compared to the wider debate on corporate governance in the private sector and to the literature on the macro and meso levels of governance in the public sector, especially the micro-level governance of public organizations remains “a neglected area of governance” (Corkery & Wettenhall, 1990). This is also acknowledged by Hodges, Wright and Keasey (1996) and Ostrower & Stone (2001) stating that a number of relevant issues still remain under-investigated in the public domain and in the nonprofit sector. Against this backdrop, the sub-theme aims: (1) at contributing to the definition of the theoretical components that assign a innovation role to governance systems in public organizations and no profit organization; (2) at showing the opportunity for a deeper analysis of organizational governance mechanisms in their relationships with both the external (stakeholders) actors and the internal (management) actors; (3) at addressing the conditions which enable governance mechanisms to effectively cover their own roles. The sub-theme, that builds on some work that the proponents have started in EURAM 2010, welcomes papers (work-in-progress or finished research) from scholars from diverse disciplinary backgrounds eager to contribute to the development of an inter- disciplinary research agenda to investigate the characteristics, scope and socio-economic features of different governance systems for public organizations in different social, cultural, political and economic environments. Along with the general track on public and non profit governance we have also four (4) specialized sub-tracks, submitted by invited scholars, which investigate further in depth some of the related topics. This structure allows us to create cross fertilization between different research areas within the boundaries of the public governance track.

SUB-TRACK: Governance, Ownership and Accountability in the Public Sector: The Emergence of New Organisational Forms and Arrangements

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Abstract:

Since the late 1990s there has been a trend characterised by the introduction of less centralised forms of public service delivery and a growing presence of alternative organisational forms. Governments around the globe have been focusing on reducing the role of traditional public sector bodies and institutions by supporting different forms of governance arrangements in service provision. One notable example is the increasing contribution of social enterprises in the delivery of frontline services. Such organisations are seen by the UK coalition government as crucial players in the delivery of health and social care as they ideally combine innovation, entrepreneurship and flexibility (Marks and Hunter, 2007). A social enterprise is an organisational form primarily driven by social objectives (not just private or economic value) and, as such, aim to create social value by meeting social needs (Mair and Martí, 2006). This organisational form is characterised by the right to reinvest any surpluses generated back into in the business or in the local community (Dart, 2004). This shift towards different governance arrangements opens up a series of questions in terms of their democratic legitimacy and accountability which to date, have found limited space in the mainstream literature. Another aspect of this focus towards innovative ways of delivering public services is represented by the newfound significance in the public sector of alternative ownership models e.g. employee share ownership. Employee (and user) owned governance models have grown in importance as they are expected to maximise efficiency and effectiveness of service providers while offering service users with more choice and, crucially, to transfer decision making power into the hands of frontline professionals and local communities (Ellins and Ham, 2009; Marks and Hunter, 2007; Michie et al., 2002). Accordingly, they have been deemed capable of, improving organisational performance, increasing benefits for the wider society, fostering innovation, engaging employees more directly and, hence, enhancing motivation in the workforce (Kaarsemaker et al., 2009; Bibby, 2009). Against this evolving policy landscape, we welcome papers from diverse disciplinary backgrounds that analyse theoretical and practical issues surrounding the emergence of new organisational forms and arrangements in the public sector. Possible research questions to be tackled are as follows: (1) Do the new organisational forms guarantee effective accountability? (2) To what extent should citizens be involved in their activities? (3) To what extent should they be directly accountable to the public? (4) To what extent can different ownership models be implemented in the public sector? (5) To what extent can they improve employee motivation and involvement? (6) To what extent can they ensure employee reward and recognition? In line with the overall theme of the track, we expect contributions to focus on answering these questions in the context of the relationship between systems of governance, governance mechanisms and roles.

SUB-TRACK: Governance and Innovation in Public and Nonprofit Organizations

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Abstract:

At an ever increasing pace, public organizations and private nonprofit organizations are expected to innovate. Innovation is often considered as one important prerequisite for the organization to perform and to remain competitive. More specifically, public organisations have been spurred to focus on social innovation by rethinking for example their internal management systems and service delivery processes (Osborne 1998, Paulsen 2006). Consequently, creating an organizational environment which fosters social innovation has become a crucial task for a wide variety of public organisations. The literature indicates that an organisation's potential for social innovation is in part determined by the quality of its governance at micro (organizational), meso and macro levels. The way in which an organization is governed and directed, determines the functioning of the organization, and the quality of its output. Organizational governance features like board composition, managerial behavior, the quality of board and management, and board-management relations will determine the likelihood and the eventual success of social innovation (Bezemer et al. 2006, Osborne 1998, Osborne and Flynn 1997). In this sub-track, we welcome papers that focus on innovation in the management and the service delivery processes of public and nonprofit organizations, with a particular focus on the relationship between governance features and innovation. We invite papers discussing catch-all concepts like "innovation" and "governance" in conceptual and theoretical papers. Both concepts are not neutral, and have many meanings. Having a clear and shared understanding of what both concepts actually mean, how to measure them in a valid way, detecting which governance characteristics enable social innovation, and determining the organisational effects of various change initiatives, is a prerequisite to further our insights in organizational innovation and its dependence on good governance. We also welcome empirical papers that are based on qualitative and/or quantitative research.

SUB-TRACK: Governance in sustainable models for production and consumption of cultural goods

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Abstract:

Until recently, economists have been reluctant to investigate culture as a possible determinant of sustainable economic activities. Much of this reluctance derives from the notion of culture: it is so broad and the channels through which it can enter the economic discourse so ubiquitous and vague that it is difficult to design testable, refutable hypotheses on culture and economics. This friction is reflected also in the limitations of current debate about governance in cultural sector, which clearly reveals a sort of indefiniteness of constructs and mechanisms, that ultimately result in a lack of autonomous trajectories. The aim of this sub-track is to contribute to filling this gap, by encouraging scholars and practitioners to identify new lines of inquiry, and widen the overall spectrum of perspectives, tools and expected outcomes in the field of governance and management studies, by providing new insights related to cultural sector (widely considered). Coherently, we offer some broad suggestions in order to promote a coherent debate at the conference. We ask participants to consider and explicitly delimit the boundaries of their contribution in relation to the theoretical approach adopted; research in organization studies, for example, has recently increased our knowledge of governance structures and dynamics, by bridging 'institutional theory' and 'organizational identity' streams of research; one important contribution, that has much yet to say in the cultural sector, has been the emerging interest towards the coevolution of structures and actions, at the field-level (to focus on mutual expectations and orders evolution), at the organizational-level (highlighting inter-organizational dynamics) and at the intra-organizational-level (pointing out the relation between organizational attributes/ behaviors and superordinate elements). This view remarks that investigating public or private entities involved in the provision of cultural goods and services should clearly account for societal and environmental influences (audiences, regulators, historical contingencies, systems of beliefs and values), avoiding the artificial and a-contextual approach which weakens most of governance literature (Frederickson, 2005). Sustainability, in turn, evokes a prominent role of time, as shaping forms, expectations, and judgment criteria. With this regard, we encourage participants in identifying the challenges that current sustainable models of social development and economic growth pose to governance debate, clarifying whether the cultural dimension (abstract or condensed in concrete structures and actions) plays a central or ancillary role, and focusing the implications of this state of the art.

SUB-TRACK: Territorial governance

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Abstract:

Governance is the capacity of public and private actors to build an organizational consensus involving different actors in order to define common objective and tasks to develop a common vision for the future of their territory and for create a sustainable, competitiveness and cohesive development.

Territorial governance is the capacity of public or private meta-management actors to:

1. □□□enhance cooperation and coordination among public and private stakeholders;
2. □□□gather consensus on a common vision for the development of the territory;
3. □□□integrate individual strategies into a shared territorial development plan;
4. □□□manage the balance between contributions and rewards of different territorial stakeholders.

In this perspective territorial governance becomes a collective action based on cooperation and coordination among actors, both horizontally and vertically. The vertical dimension regards relationships among multi-level governance (from local to national level), while the horizontal dimension includes relations between territorial actors belonging to different industries. Vertical and horizontal coordination leads to integration and coherence between responsibilities, competences and visions. Territorial governance is based on a bottom up process on which the institution plays a key and strategic roles. Sometimes they are the key success of a given area in term of increasing development and competitiveness. For this reason is very important exploring the "governance mechanisms" and the "governance roles" of a fragmented system of government and the role played from the non governmental bodies on a given territory measured in terms of impacts. Concerning the intergovernmental dimension of regional development policies, it is shown that the dynamic differentiation of decision-making structures as well as a balanced mixture of different modes of governance (co-operative networks, hierarchy and competition) can provide viable escape routes from potential deadlock. However, processes of structuring multi-level governance depend to a considerable degree on the national institutional setting which may provide favourable conditions for processes of adaptation, but may also impede them. Decision-making involves a great variety of actors, and not only executives, and some actors like the European Commission, clearly play a privileged and entrepreneurial role. While in many instances there is also a need for consensual agreements with no exit- options, these patterns are complemented by more flexible arrangements of co-operation involving more than just the executive branches. Nevertheless, pressure for regionalization and extending linkages between levels of policy-making creates risks of overload. European regional policy-making has to take into account or even integrate regional actors.

This sub-track deals with the theme of the fundamental systems, mechanisms and rules by which the planning decisions are carried out on the territory and the impact that they can have in terms of development. Special attention will be given on:

- the role played from the non profit organization. They are assuming a growing importance in some economical sector, as the Cultural Heritage;
- the process and the impact of the regional policies development in the construction of novel concept of policy-making, namely 'multi-level governance'. In this perspective, Europeanization of regional policies calls for the development of institutional devices which allow for some regional participation and the corresponding intraregional co-ordination of

interests. At the same time, effective decision-making in such a multi-level structure might be impaired by the problem of complexity, resulting from a high number of participants and arenas of policy-making to be co-ordinated. Rising transaction costs and complications in procedures make an unlimited extension of the number of actors participating in intergovernmental negotiations complicated or impossible;

- the ability to involve public and private stakeholders, in order to make “consistent” and “subsidiary” the planning process on the one hand and to develop competitive and sustainable strategies, on the other.

Examples of key management contents in the public governance perspective are: centrality of the interactions with the players at the various levels of the political and social context; management and coordination of networks and complex relations of the social and entrepreneurship system; directions towards the economic-social milieu. This track is open to experiences implemented by different territories, with a particular focus on tourism destinations. The implementation of a territorial governance does not mean to redesign and reform institutions only, but also to plan the culture of governance transforming it in compliance: to substitute the top-down rules of territorial planning administration with new typological and participated forms and to open the decisional and managerial processes to new players (stakeholders) that have a legitimate position in the area concerned. Market forces alone cannot guarantee the integration of a territory’s environmental, social and economic relationships; therefore the capability is needed to create favourable conditions for a sustainable development through governance for the management of their right balance.