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Topic/track: Organization

"How a public actor can manage a public-private network. Evidence from an Italian case"

1. Purpose of the paper

Organizational context - Studies and researches concerning networks, as way of governance alternative to traditional hierarchical one, are become very popular over the last two decades also in the public sector (Provan, Milward, 1995; O'Toole, 1997; Agranoff, McGuire, 1998; Milward, Provan, 2003; Kenis, Provan, 2009).

Public networks have been widely recognized, both by researchers and practitioners, as an organizational form able to encourage collaboration, build community capacity, enhance organizational and client-level outcomes, in other word, to increase public effectiveness in different fields, such as health, social care, local development, education, community development, sustainable tourism.

Despite the growing number of network-focused researches and the increasing debate in the field of public administration literature, there are still many unanswered issues, while questions arise on the conditions under which networks actually work and are effective, and on challenges that networks have to face and the limits they have to overcome.

According to Lecy, Mergel and Schmitz (2014), literature on this topic has developed in a fragmentary way, so there is a conceptual confusion around network concepts and there are multiple definitions of public networks. As noted by Provan and Milward (1995; 2001), the focus on the characteristics of network structure is the major preoccupation of many studies. Consistently, most research on this topic aims to describe network configurations using such concepts as density, centrality, structural holes (Burt, 2004; Provan et al., 2007) and looking at nodes, positions, relations, actors and to define different stages of network development. In other word, the focus is on the creation of a new organizational setting through the merger of different organizations, in our case public and private organizations

On the contrary, less attention is paid on the functioning of network and its governance.

Research question – We found a gap in current literature on this topic and this research aims at contributing to this debate, by suggesting some directions for future research. In particular, we are interested in the figure of the broker, in the roles and functions that the public actor can play within a network (White, Christopoulos, 2011) by acting as broker, in order to create the most favorable conditions for the development of interaction between all the organizations involved, both public and private. The public actor can became a key entity in coordinating the network, without exerting any of the more traditional hierarchical authority, and in creating the most favorable conditions for the attainment of its results: a more efficient and effective use of resources, the possibility of achieving objectives that the public actor, alone, could not reach, the delivery of more effective services to community members, the development of a territory.

We propose some initial insights on the behaviors that the public actor can play during the development of a public-private network and on the functioning of this network as a whole. Without minimizing the importance of structural characteristics, we chosen to focus on the ability of the public actor to manage a network, modulating his behaviors from inside. In particular, we wonder how a public actor, well positioned in a network, might foster the development of the network itself by exploring and performing brokerage roles-and-functions.

Field of inquiry – In order to analyze and understand the behaviors that promote the development of roles and function of brokerage by a public actor, we choose a single case-study research strategy (Eisenhardt, Graebner, 2007). We adopt a qualitative approach and pursue cognitive and explorative goals. The case-study under investigation is the "Motor Valley-Land of Motors" network. Born as "ad-hoc" project within the event "Bologna 2000, City of Culture", the Motor Valley project was then consolidated as a cross-sectoral networks and has gained regional interest, developing as a tourist product within a territorial marketing, a community relation strategy.

2. Theoretical background

The theoretical framework of this research consists of two strands of organization and management literature, focused on studies related to: a) public-private network; b) brokerage roles and functions.

With reference to the first topic, we consider the contributions that deepen the network concept in public administration and analyze both different modes of network governance (Provan et al., 2007; Provan, Kenis, 2007) and the conditions that favor the development of a network (Drazin, Van de Ven, 1985).

Provan and Kenis (2007) have recently introduced three basic of network governance models: shared or participant governance, lead organization governed, and network administrative organization governed. Each of these network governance forms differs regarding their structure. In particular, lead organization governance is a model in which a public actor may assume the role of network leader because of its central position in the flow of information and resources. In this model, network members all share at least some common goal and they interact and work with one another. All activities and key decisions are coordinated through and by one of the member acting as a lead organization, which facilitates the activities of member organizations in their efforts to achieve network goals. Integration that better supports effectiveness is so defined by the presence of one coordinated actor and different subset that are highly cohesive and strongly linked to each other (Provan, Sebastian, 1998).

Regarding the determinants of network effectiveness, public management scholars and researchers have focused their attention on three different elements: external environment (Provan, Milward, 1995, 2001); structural characteristics (Provan, Milward, 2005; Provan, Sebastian, 1998); functioning characteristics (O'Toole, Meier, 2004; Turrini et al., 2010).

With reference to the latter topic, those contributions that deepen brokerage roles and functions constitute privileged references for our study. In particular, we refer to Gould and Fernandez (1989) typology of broker roles and to Burt (2004) levels of brokerage. The broker typologies are described with reference to the position of an actor and on the basis of his relations to two alters as well as the relation between those alters. The five possible brokerage roles identified by the authors are: coordinator, gatekeeper, representative, cosmopolitan or itinerant and liaison. As far as functions is concerned, Burt (2004) identify four levels of brokerage and of information arbitrage through which create value: to make all actors in a network aware of interests and difficulties in the other group; to transfer best practice and to translate

practice into language digestible in the other group; to draw analogies between groups ostensibly irrelevant to one another; to make synthesis of beliefs or behaviors that combine elements from both groups

3. Research method

The research design of the study relies on a single case-study approach, follows a qualitative approach and pursues cognitive and explorative goals. The case under investigation, recognized as an outstanding case, has been selected for its significance: it shows the effectiveness of the development of a mixed public-private network in which firms, artisans, tourism organizations, sport facilities, institutions and other organization in the cultural heritage and tourism sector are tied together in such a way to reinforce the regional competitiveness.

The design of the research is longitudinal, from 2000 to 2013, for it provides a lot of elements able to understand the development of the network over time. The data collection began in 2008 and ended in 2013; so the data before this period are acquired from previous studies, local databases, public/private archives, press archives of local and national newspapers. Other documents analyzed include the network's website of Motor Valley project, academic papers and press releases We use different data and knowledgeable informants in order to limit bias (Eisenhardt, Graebner, 2007) and we make a triangulation of different data sources in order to obtain more robust evidence.

The investigation involves using in-depth interviews, questionnaire and document analysis. In particular, ten interviews have been carried out to private organizations (corporate museums and private collections) that participate to the network and to local institution (the Emilia Romagna Tourism Agency, the Province of Modena and its Chambre of Commerce) involved in the Motor Valley projects.

In the first semi-structured open-ended interviews, respondents are asked to tell the meaningful steps of the development of the network, the reasons and opportunities for the network, expected outcomes for the territory and all the stakeholders, future challenges and new steps, the key roles and key actors emerged within the network, main challenges that the public actor has managed during the network evolution, governance mechanisms and processes. The second structured interview was ori-

ented to gather more information about the roles and functions performed by public actors, as well about the perceived performance of these roles by each private organization that participates to the network.

The interviews, lasting form one to more than 2 hours each and completely tape-recorded, have been realized between April 2008 and December 2011. The questionnaire has been submitted on May 2012. We analyzed case data according with grounded theory building, the more suitable for our aim, i.e. for acquiring new insights on brokerage roles and functions played by public actors.

4. The case in short

The "Motor Valley-Land of Motors" project begun as part of "Bologna 2000-European City of Culture". Born as a cross industry project, gradually grew, gaining regional interest initially, with the involvement of many players caught up in and revolving around the "mechanics" culture, later acquiring a nationwide dimension, extending to the Regions of Tuscany, Piedmont, Lombardy and Sicily. As is widespread knowledge, one of the main vocations of the Emilia-Romagna Region lies in the automotive and motorcycle industries: the most world-famous cars and motors companies, such as motors Parilla, Ferrari, Ducati, Lamborghini, Malaguti, VM, are located in the Province of Modena. During the cultural event mentioned above, the Province of Modena and other small cities organized some international initiatives, leveraging on this "ancient" vocation and on a deep-rooted passion for cars and motors. Much more than a productive phenomenon began to grow around this theme. Motor Valley identified no longer just a territory, a "quadrilateral of excellence" well-known and also recognized abroad, but it was beginning to take shape as a network of major firms in the motor industry, artisans, tourism organizations, corporate museum, institutional museums, private collections, motor racing facilities, local public institutions willing to work together (Alberti et al., 2012).

The awareness of the existence of this network and its potentials for tourism development led the Region Administration (RA) to create in 2002 the tourism product "Motor Valley", and in 2004 the namesake brand. The role of the RA was determinant for the development of the project. Loosening its leadership role, it has favored the

creation of a system of governance of the network little centralized, open to the active involvement of other public organizations.

In particular, the RA has mainly managed relationships with key players of Motor Valley, the most famous automobile industries of the past and present, and with their corporate museums and private collections. The Regional Tourism Agency (APT), for its part, has managed the network of local tour operators, overseeing and coordinating the touristic packages built around the brand "Motor Valley". The coordinated action of the RA and of the APT has made possible the identification and preparation of touristic packages built around the needs of different types of tourists and the main regional motorsports events, so allowing the realization of the potential of the Motor Valley project.

5. Main findings and contributions

Consistent with its exploratory nature, this study proposes some reflections about roles and functions performed by public actors (specifically, the Emilia Romagna RA and the Regional APT), starting from the perception of these roles and functions by the private actors participating to the network. The development of the project appears to be related to the ability of the two public actors to play different brokerage roles jointly, albeit at two different levels, thus promoting the coexistence of more orchestrators within the network itself.

As stated in the brief summary of the case, Motor Valley is a cross-sector network that presents a dual composition. On the one end, there are a set of organizations that are an expression of local culture, tradition and industrial heritage, with their induced of small and medium enterprises. On the other end, there are a number of organizations working in the tourism sector. The RA and the APT are, respectively, the direct counterparts of these two sub-networks and their joint action made possible the envisioning and design of the network, has triggered its formation, has allowed its development.

Overall, we have detected three of the five brokerage roles according with the typology of Gould and Fernandez (1989), gatekeeper, coordinator and liaison, and to perform these roles, the RA has carried out two main functions: a transcoding function and the drawing of analogies.

We assume that these roles provide the foundation on which to build a network of strong relationships, to align different interest, to grasp the motivation for join some initiatives and activities.

Along the development of the project, the RA has operated as a gatekeeper bringing the idea about the Motor Valley's network from the Province of Modena to a regional dimension first, then national. To perform this role, the RA has invested quite a lot of effort and time to make all the actors in the network, rivals and competitors in the motor industry, aware of the great opportunities that would open them when they joined forces and cooperated to make the "quadrilateral of motor's excellence" touristically attractive. Secondly, it has brought the different actors of the network to make its expectations, needs and visions, in order to highlight the many similarities that exist between them, despite their rivalry.

In parallel, the RA has played the roles of coordination and liaison. Regarding the first, it has encouraged the transfer of knowledge and experience between the company museums and private collections, promoting growth of their ability to make available its industrial heritage. The knowledge transfer function was combined with the transcoding one: the RA has been constantly engaged in the recall and emphasize the benefits and opportunities resulting from the project for all members of the network.

As regard as the role of liaison, different functions performed by the RA were involved in this role. The RA has succeeded in creating a link between the world of industrial heritage and the world of tourism along three main directives: a) showing the two actors how they could benefit from a common and shared strategy; b) making them clear that the experience of corporate museums and private collections could be used as an opportunity for innovation in the tourism sector; c) combining what local tour operators knew about the market, his segments and the cultural and landscape heritage with the industrial heritage strategies used by automotive industries.

The Emilia Romagna RA shared these roles and functions of brokerage with the Regional APT. In particular, the APT has acted as gatekeeper and coordinator within the subnet formed by tour operators, in order to facilitate the identification of packages and the organization of events consistent with the purposes of the Motor Valley

network. It has acted as liaison to the RA and the subnetwork composed by private companies in order to promote genuine partnerships and to share tourist proposals.

Whereas the exploratory nature of our study, the theoretical implications are not yet well defined; however we believe that these results can extend the current literature on the topic, developing a major awareness about organizational roles in public-private networks and detailing the set of functions that are perceived as important to play by public actor in the formation and development of a network.

The managerial implications appear no less significant, since they can help public policy maker better understand what roles and functions can foster the formation and development of these networks.

A possible trajectory of research relies on a replication of this study in other public-private networks, in order to strengthen the empirical evidences and their possible use as tools of public management.

6. References

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