

PUBLIC ORGANIZATIONS AND INNOVATION PROCESSES: THE ROLE OF BOARD OF DIRECTORS

Opening and shaping the research agenda

Luca Gnan, Alessandro Hinna, Danila Scarozza

1. Introduction

The recent mainstreams to innovate public organizations can be found in the various legislative reforms taken place since the 1980s. These innovations have induced and still require changes in relationships with both their transactional environment (“strategic change”), and their internal environment (“organizational change”) (Cafferata, 1995; Dente, 1995; Rebora, 1999; Comacchio, 1997). Innovations need coordination and integration between public organizations and their broader environment (Kettl, 2002). Following the «reinventing government» slogan (Osborne, Gaebler, 1992), a modernization process of public organizations has begun, both in industrialised countries and in underdeveloped ones, although due to different reasons.

In 1980s and 1990s, the *New Public Management* (Hood, Jackson 1991; Hood, 1998; Barberis, 1998; Ferlie et al., 2005; Vigoda et al., 2008) approach suggested that public organizations should gradually abandon their more traditional bureaucratic configuration and import models and methods settled for private organizations. This vision, overcoming a mere transformation of the work organization and the operative systems, integrates *New Public Management* (NPM) with the *Public Governance* (PG) approach (Peters, Pierre, 1998; Lynn et al., 2000; Kettl, 2000; Bevir et al., 2003). Following PG, social and economical phenomena can be more efficiently governed with close interactions between public organizations and social actors, running a favourable and an encouraging environment. Governance is «a way of describing the links between government and its broader environment» (Kettl, 2002:119) and involves «the processes and institutions, both formal and informal, that guide and restrain the collective activities of a group» (Keohane, Nye, 2000:12).

Governance issues are mainly related with governing bodies (i.e. boards) roles (Fields, 2007). PG extends public organizations boards' tasks expectations: both on internal governance (strategic control), external governance (public services and collective needs alignment), and inter-institutional governance (coordination and integration between public organizations and other governmental institutions).

The boards' role in public organizations is still not so developed as in private or non profit ones (Farrell, 2005). Public management and public policy (i.e. governance) have been actually almost developed alone from one another (Kettl, 2000; Peters, 2000). Borrowing corporate governance's models from private to public organizations, Hodges et al. (1996:12) state: «a number of outstanding issues remain. These include the need to adapt corporate governance principles to meet the considerable diversity of objectives and management structures within the public services». The board's role as «taking important decisions on strategic change that help the organization adapt to important environmental changes» (Goodstein et al., 1994:242) asks for a new configuration of the relationship between politics (board) and administration.

The public organizations boards' literature has already revealed that governing bodies have many similarities with private and non profit boards (Cornforth, 2003; Farrel, 2005), in terms of their accountability requirements (Levacic, 1995), of their role in strategic decision making processes, and of their composition. The literature focuses mainly on the analysis of boards' formal aspects in public organizations, evidencing strategic tasks (Jørgensen, 1999; Dopson et al., 1999; Sullivan et al., 2006) control tasks (Midttun, Kamfjord, 1999; West, Durant, 2000; Hood et al., 2000; Smith, Beazley, 2000; Hyndman, Eden, 2001; Sanderson, 2002; Siciliano, 2002; Considine, 2004; Clatworthy et al., 2004), and networking governance tasks (Lowndes, Wilson, 2003; Kijn, Skelcher, 2007). Some scholars investigated the human side of boards (Conforth, Edwards, 1999; Greer, Hoggett, 2000; Boyne, Dahya, 2002; Kirkbride, Letza, 2003; Benz, Frey, 2007), but they did not focused on those dimensions influencing board effectiveness and they did not analyse the competencies needed for building an effective board for public sector organizations.

Moving from contingency and evolutionary perspectives, some corporate scholars recently concentrate their researches on the human side of governance, introducing issues for a behavioural theory of board and corporate governance (Forbes, Milliken, 1999; Westphal, 1999; Samra-Fredericks, 2000;

Gabrielsson, Huse, 2005; Zona, Zattoni, 2007; Tosi, 2008), investigating attributes of actors and relationships inside and outside boardrooms.

The article main object is to identify the elements of the role of a political governing board in innovation processes of public organizations. Following the behavioural approach to boards and governance (Huse, 2007), an actor based perspective is presented, focusing on the relationship between board members and top management team, on interactions and on dynamic power influence between the two.

The article proposes a call for an adjustment of some concepts of the behavioural framework of the bureaucratic model, with respect to: a) the complexity of organisational and managerial innovation processes; b) the board behaviour in innovation processes.

Based on an extensive literature review and in order to define a new relationship model between policy and administration, the article intends: (1) to evidence the opportunity for a deeper investigation on political governing boards in a wider behavioural perspective; (2) bridging the gaps between public and corporate governance studies, to propose a research agenda on six propositions on the relevance of “board of directors” in public innovation processes.

The article has theoretical contributions. The article contributes evidencing how governance and boards, in public organizations, have to be examined from a behavioural perspective. As the debate on corporate governance have clearly shown, board *composition*, *tenure* and *quality* on one hand, and the system of in/out boardroom’s processes on the other, are likely to impact the ability of the board to effectively carry out their tasks (Finkelstein, Hambrick, 1996; Rutherford, Buchholtz, 2007) in innovation processes.

The article proceeds in four sections. First, issues about governing innovation in the public sector are presented. In the second section, we describe the complexity of innovation processes in public sector. In the third section, we discuss the board relevance in innovation processes. The article presents six different propositions which relate the boards’ behaviour and innovation in public sector.

2. Governing innovation in the public sector

New Public Management (NPM) approach synthesizes the reforms which led public organizations to a gradual abandon of their bureaucratic archetype towards those of private companies, without betraying their mission and their public nature. Spreading by stages and by different phases in various countries, NPM started a process with logics, principles, and management techniques used in private firms transplanted into public organizations. An adaptation of private organizational models, rather than direct copying them, (Meneguzzo, 1997; Borgonovi, 2006) was required. The overcome of elements which constitute the main obstacle to innovation, the culture of auto-reference and the cult of the absolute structural diversity, became inevitable.

Although further discussions have arisen on the NPM nature (Hood 1998; Agranoff, McGuire, 2001; Haque 2007), the basic characteristics and principles, which allowed the original theories to be put into practice, may be found in different public organizations. The main changes suggested by NPM are: privatization; a growing emphasis on citizen as a client; decentralization or downsizing; strategic management; creation of a competitive environment; measuring results and evaluating performances; use of market mechanisms (prevalently contracting-out and contracting-in); separation of politics and administration; use of IT; pursuit of resources efficiency (Capano, 2003). On one hand, the aim of the NPM was to re-design public organizations in terms both of their organizational structures, and of their inter-organizational relationships (Capano, 2003). On the other hand, the goal was, also, to re-define the internal mechanisms of each organization.

In the second half of the 1990s, a second phase of reforms began within the *Public Governance (PG)* theoretical stream (Peters, Pierre, 1998; Lynn et al., 2000; Kettl, 2000; Bevir et al., 2003). Following it, innovations in public organizations go beyond a mere technical approach and they impact on the system of relationships between public organizations and their stakeholders. Social and economic phenomena can be managed more efficiently with close interactions between public organizations and social actors, creating a favourable and an encouraging environment. Innovation is, therefore, a problem of coordination and integration between public organizations and their broader environment (Kettl, 2002).

PG integrates and does not substitute NPM, evidencing what characterizes a good governance practice: *from a systemic perspective*, an internal and ex-

ternal balanced distribution of economic and political power; from a *political perspective*, the recognition of the authority democratically conceded; from an *administrative perspective*, the existence of an efficient bureaucratic machine with the competence to project and implement public policies (Leftwich, 1993). Governance issues are mainly related with governing bodies (i.e. boards) roles (Fields, 2007). PG extends the boards' tasks expectations both on internal governance (strategic control), external governance (public services and collective needs alignment), and inter-institutional governance (integration and coordination between public administrations and other governmental institutions). The board's role as «taking important decisions on strategic change that help the organization adapt to important environmental changes» (Goodstein et al., 1994:242) asks for a new configuration of the relationship between politics (board) and administration, defining important similarities between boards tasks expectation in private and in public sector.

Hodges et al. (1996:12) state: «a number of outstanding issues remain, including the need to adapt corporate governance principles to meet the differences on objectives and on management structures within public services». Cornforth, shifting the focus of investigation from private boards to public and non-profit boards, identifies six governance models on the relationship between theoretical approaches and the board's role (Cornforth, 2003:7-11).

From a corporate governance perspective, Hung (1998) suggests that different theoretical approaches can not be separately considered, proposing to substitute a one-dimensional view of governance with a multi-approach of analysis. As in the corporate governance debate, Cornforth (2003:251-252) invited scholars to develop a greater understanding of public boards skills, capacities and behaviours.

Tab. 1 - Theoretical perspectives on governance

Theory	Interests	Board members	Board role	Model
Agency theory	Owners and managers have different interests	Owners' representatives	Compliance/conformance: safeguard owners' interests oversee management check compliance	Compliance model
Stewardship theory	Owners and managers share interests	Experts	Improve performance: add value to top decisions/strategy partner/support management	Partnership model
Democratic perspective	Members/the public contain different interests	Lay representatives	Political: represent constituents/members reconcile conflicts make policy control executive	Democratic model
Stakeholder theory	Stakeholders have different interests	Stakeholder representatives: elected or appointed by stakeholder groups	Balancing stakeholder needs: balance stakeholder needs/make policy/strategy control management	Stakeholder model
Resource dependency theory	Stakeholders and organization have different	Chosen for influence with key stakeholders interests	Boundary spanning: secure resources maintain stakeholder relations being external perspective	Co-option model
Managerial hegemony theory	Owners and managers have different interests	Owners' representatives	Largely symbolic: ratify decisions give legitimacy managers have real power	"Rubber-stamp" model

Source: Cornforth, 2003:13

3. The complexity of organisational and managerial innovation processes

Changes requested to public organizations pose important questions on both their bureaucratic re-configuration, and how to evaluate their ability to carry out their new tasks: the new model requires more flexibility, efficiency, and service quality, and it asks for transformations on its characteristics, with influences both on the political (Mintzberg, 1979), and cultural aspects of public organizations (Driscoll, Morris, 2001).

The dysfunctions of the bureaucratic model (Merton, 1949; Gouldner, 1954; Selznick, 1948, 1949, 1966), now more than ever, may compromise the effectiveness of administrative behaviour (Wright, 2001, 2004). People involved in decision-making processes responsibilities may have to change its behaviour. These responsibilities cannot be exclusively technical ones, since they interact with other actors. Technical skills are almost inadequate to support decisional processes that are (now) not only experimental ones, i.e. directed to the production of political efficiency, but also conflictual ones, i.e. directed to the production of acceptable policies integrating local organised interests.

The re-definition of these responsibilities (Ferlie et al., 2005) requires an evolution of the bureaucratic model towards a form of diffused intelligence (Decastri, 2005). The traditional rules of bureaucracy should be merged with tools aimed to increase the ability to manage new levels of information complexity (related to unfamiliar problems, Perrow, 1988) with solutions not yet belonging to the organization's memory. Strategic and organizational changes raise new questions about the aim and the identity of organizations, altering beliefs, values, and inter-relationships of all their subsystems (Kumar, Thibodeaux, 1990): we may talk about an expected radical innovation (Freeman, Perez, 1986; Consiglio, 2000).

The coherence within systems and components of the public organizations' bureaucratic model may be a barrier to change. The bureaucratic model effectiveness relays not only on the quality of its formal rules and procedures, but also on their completeness. During change periods, their completeness may be unreachable due to their obsolescence, increasing (a) spaces of subjective decisions of individuals and, therefore, (b) forms of individual and collective power arising from the control of operating uncertainty that the formal rules are not able to cover (Crozier, Friedberg, 1977). At the same time, the defence of rules and procedures becomes the basis around which bureaucracy tends to organize itself, refusing any change which might upset the delicate balance of power (Crozier, 1963), allowing only apparent changes. The lack of ability to change is an intrinsic characteristic of bureaucratic organizations. Due to their lack of mechanisms of continuous adaptation, in general, they do not exploit *incremental* changes, but only *radical* ones due to crisis times (Crozier, 1963; Kotter, 1995).

Proposition 1: The bureaucratic nature of public organizations and the limited abilities and inclinations of individuals to change require that, in plan-

ning the changes, different cognitive perspectives within the management group have to be considered. These cognitive perspectives concern the rules and the behaviour that have helped the organization in the past and that may need to be the focus of the change now, gathering information necessary to assess the organization's ability to change (Crozier, 1963; Keber, Buono, 2005).

The "crisis" itself is not able to induce public administrations to change, it only represents a *potential* source of pressure for change (Airoldi, 1991): the less an organization needs to compete for its survival, the more important are influences on individuals' power games (Crozier, Friedberg, 1977). These influences are secondary sources of uncertainty. These sources are of little importance for the organization itself, but relevant for individuals. They do not create a risky situation for their survival inside organizations, leaving unchanged their strategies and power relationships. Therefore, according to NPM and PG, even if public organizations have to manage more complex tasks (Galbraith, 1977), these tasks may increase the real complexity they have to face with, i.e. to determine a change in their organizational behaviours, if they are *reinforced* by an adequate pressure on results (Airoldi, 1991).

Proposition 2: Starting from a stakeholder perspective of governance, boards may be best able to protect stakeholders by pressing management to undertake planned changes (Fields, 2007).

The reinforce is hardly achievable since: (a) in public organizations, principals and agents relationships define a particular configuration (Jørgensen, 1999); (b) new logics of vertical and horizontal networking in services management make more difficult the attribution of specific and distinct responsibilities between different actors (Jørgensen, 1999); (c) outputs of many public services are difficult to measure and, therefore, citizens might not be able to evaluate them objectively (Barberis, 1998); Even though the community has the right to establish the economic and social targets, the exploiting of such right suffers for the double mediation of politicians and managers. The target definition is exposed to failure, typical of the democratic process, generally connected to the complexity of the procedures of supervision and situations of high information asymmetry.

4. Board behaviour in innovation processes

Boards in innovation processes of public organizations contribute to better represent stakeholders interests. Boards may assume a mediating role between change's requests coming from outside and the resistance arising within public organizations. Boards may create conditions for public bureaucracies to carry out their tasks and to adopt innovation strategies. The boards' strategic role may be interpreted as «taking important decisions on strategic change that help organization adapts to important environment changes» (Goodstein et al., 1994, Fields, 2007). The board tasks are enriched by new control issues, overcoming board constraints on management (to reduce divergence on interests with stakeholders) in order to shape innovation directions, breaking organizational habits and forcing the organizational change (Stiles, Taylor, 2001).

According to Authors who integrated the organizational control and agency theories in order to explain the board's role in strategy, we define the desired control of board on management as *strategic* or *behaviour control* (Baysinger, Hoskisson, 1990; Fields, 2007), with important implications regarding the board strategy involvement (McNulty, Pettigrew, 1999; Stiles, 2001; Hendry, Kiel, 2004; Huse, 2007).

Proposition 3: Overseeing the planning and the implementation of innovation and organizational changes, boards have to exert strategic or behaviour control, in order to deal with an apparent paradox: (a) they are expected to carry out their control task on management and especially on top management teams in order to protect the interest of stakeholders; (b) they need to work closely with them in order to make informed decisions in implementing the innovation.

Boards' role in innovation processes in public organizations requires a new configuration of the relationship between politics (board) and administration in public organizations too (Dunn, Legge, 2002; Hansen, Ejersbo, 2002), in contrast with the politics and administration dichotomy model, suggested from both the "classic" (Weber, 1922) and the NPM scholars (Dunsire, 1995; Bogason, Toonen, 1998; Bevir et al., 2003) The innovation has to be grounded on dialogue and interlocution, bridging the separation between politics and administration, even if the independence of one or the other is sacri-

ficed (the partnership model, Dunn, Legge, 2002). From a theoretical perspective the model risks being too generic.

Proposition 4: To increase the influence on strategic or behaviour control over management, boards are appointed to ever-increasing levels of strategy involvement, exploiting their influence not only at the end of the decisional process, but also during the formulation of proposals and the shaping the context, the content, and, in particular, the conduct of the innovation process.

NPM and PG paradigms contribute to improve management by boards, but there are still many questions on the extent of their strategic involvement. The boards' topic in public governance literature focused principally on the analysis of formal aspects of boards in public organizations, evidencing strategic tasks (Jørgensen, 1999; Dopson et al., 1999; Sullivan et al., 2006), control tasks (Midttun, Kamfjord, 1999; West, Durant, 2000; Hood et al., 2000; Smith, Beazley, 2000; Hyndman, Eden, 2001; Sanderson, 2002; Siciliano, 2002; Considine, 2004; Clatworthy et al., 2004) or networking governance tasks (Lowndes, Wilson, 2003; Kijn, Skelcher, 2007). Some scholars investigated the human side of boards (Conforth, Edwards, 1999; Greer, Hoggett, 2000; Boyne, Dahya, 2002; Kirkbride, Letza, 2003; Benz, Frey, 2007). None research has yet analyzed and described how board behaviour may influence board effectiveness in producing social and economic value.

The analysis of interactions between board and management during innovations requires deeper understanding, in order to fit the complexity of the organizational change. If changes and innovations are viewed as a source of uncertainty, new forms of power will arise, as already highlighted by some upper echelons researches (Carpenter et al., 2004). Information asymmetry between board and management is likely to play an important role in determining whether boards in public organizations will be effective in carrying out their tasks in their innovation processes. The risk of an imperfect information distribution has been examined by corporate governance literature (Rindova, 1999), while there are few researches on public governance literature.

Tab. 2 - Analysis' Perspective of Board in the Public Sector

Issues		Relevant Articles
Board in formal aspects	Strategic task	Benton (2002); Conforth, Edwards (1999); Dierick (2003); Dopson, Stewart,
		Locock (1999); Jørgensen (1999); Knott, Payne (2004); Sullivan, Barnes, Matka (2006)
	Monitoring task	Bourdeaux (2007); Clatworthy, Mellett, Peel (2000); Considine (2004); Hood, James, Scott (2000); Huxham, Siv (2000); Hyndman, Eden (2001); Kaufman (2001); Midttun, Kamfjord (1999); Sanderson (2002); Siciliano (2002); Smith (2003); Smith, Beazley (2000); Weimer (2007); West, Durant (2000)
	Networking task	Brinkerhoff (2004), Guess (2005); Kijn, Skelcher (2007); Lowndes, Wilson (2003); Jacobsen (2006); Mazouz, Tremblay (2006); McGuire (2006); Minvielle (2006); Provan, Isett, Milward (2004)
Human dimension of the board	Compensation	Benz, Frey (2007); Boyne, Dahya (2002); Kirkbride, Letza (2003)
	Demographic composition	Greer; Hoggett (2000); Kirkbride, Letza (2003); Oldersma, Janzen-Marquard, Portegijs (1999); Siciliano (2002); West, Durant (2000)
	Selection process	Bertelli (2006); Flinders (2004); Kirkbride, Letza (2003); Mulgan (2000)
	Skills	Conforth, Edwards (1999)
Behavioural dimension of board's members	Strategic involvement	Farrell (2005)
	Interactions	Bovaird, Russell (2007); Clarence (2002); Conforth, Edwards (1999); Gabris, Golembiewski, Ihrke (2001); Greer; Hoggett (2000); Lowndes, Wilson (2003); Meier, O'Toole, Goerdel (2006); Siciliano (2002); Sullivan, Barnes, Matka (2006)
	Conflicts	Brooks (2002); Skelcher, Mathur, Smith (2005)
	Power (CEO duality and succession rules)	Benz, Frey (2007); Dent, Howorth, Mueller, Peuschoft (2004); Flinders (2004)
	Culture	Brereton, Temple (1999)
	Climate	Bate (2000)
	Ethic Values (Accountability)	Brinkerhoff (2004); Clatworthy, Mellett, Peel (2000); Flinders (2004); Morrell (2006); Mulgan (2000); Smith (2003)
	Leadership	Ling (2002)
	Decision-making process	Cutting, Kouzmin (1999); Egeberg (1999); Harrison, Wood (1999); Richards, Smith (2004)
Board in general	As a mean of citizen participation, collaboration as partnership	Barnes, Newman, Knops, Sullivan (2003); Davies (2002); Kay (2001); Lowndes, Pratchett, Stoker (2001); Merget (2003); Parkinson (2004)

Proposition 5: Innovation leaves space to exert structural and relational power and the strategic control of boards could be problematic, because board's members normally have less access to information (Crozier, 1963; Giddens, 1977; McNulty, Pettigrew, 1999; Stiles, 2001).

As agency theory and the debate on corporate governance have shown, board *composition*, *tenure* and *quality* on one hand, and their system of information-gathering on the other, are likely to impact the ability of the board to effectively carry out their tasks (Finkelstein, Hambrick, 1996; Rutherford, Buchholtz, 2007). Some public administration scholars have investigated board composition (Oldersma et al., 1999; Greer, Hoggett, 2000; West, Durant, 2000; Siciliano, 2002; Kirkbride, Letza, 2003), but they were not focused on those dimensions influencing board effectiveness and they did not analyse the personal traits and characteristics of board members needed for building effective boards for public organizations.

Even if some pioneer studies refer to competencies of board members (Cornforth, 1999), we ask to examine boards in public organizations from a wider perspective, in order to take into account an intellectual capital framework, defined by resources such as knowledge, skills, experience, relationships, routines and procedures that boards can employ to create value (Nicholson, Kiel, 2004).

Proposition 6: The human capital of the board represents a fundamental source of innovation of public organizations (Inglely, Van der Walt, 2001; Stiles, 2001), through integrity, leadership skills-team player/communicator, analytical understanding, special skills and knowledge, thinker-open minded/strategic perception and decision making ability (Blake, 1999).

5. Concluding remarks

Recent innovations in public organizations moved from legislative reforms that tried to model changes in their relationships with both their external and internal environments. A fundamental role in public organizations transformation is theoretically and practically played by two complementary approaches: the New Public Management and the Public Governance one. The first, working mainly on their internal side, suggested that public organizations should gradu-

ally transform their traditional bureaucratic configuration into models and methods settled for private organizations. The latter, on the other side, evidencing that social and economical phenomena may be efficiently managed with close interactions between public organizations and social actors, suggested that innovation require higher levels of coordination and integration (i.e. governance) between public organizations and their external environment.

The role of governing bodies (i.e. boards) in managing these interactions and interpreting the relative internal changes enriches and asks for a new configuration of the relationship between politics and administration. Both from a theoretical and practical perspective, the boards' role in public organizations is not so developed as in private or non profit ones, while it is accepted that governing bodies have many similarities with private and non profit boards.

The public organizations boards' literature focuses mainly on the analysis of boards' formal aspects in public organizations and, only marginally, has investigated the human side of boards, focusing on those dimensions influencing board effectiveness and not evidencing the personal traits and characteristics needed for building an effective board for public organizations. On the other hand, some corporate scholars recently developed the human side of governance, introducing issues for a behavioural theory of board and corporate governance, investigating attributes of actors and relationships inside and outside boardrooms.

The article tries to identify the elements of a political governing board role in innovation processes of public organizations. An adaptation of some concepts of the behavioural framework of the bureaucratic model is required. The bureaucratic model has to cope with the complexity of the organizational and managerial innovation processes and the expected board behaviour in them.

The article provided support for a board model in public governance, evidencing both the opportunity to assume a multi-paradigm perspective (Cornforth, 2003) and the existing similarities and differences between boards in public and corporate governance approach. Public governance approach is similar to agency theory and it stresses the need to control the self-interested behaviour of managers (Benz, Frey, 2007), but, at the same time differs by investigating more profoundly who has the actual right to decide "what".

The main contribution of this paper is that governance and boards in public organizations have to be examined from a behavioural perspective. As agency theory studies and the debate on corporate governance have clearly shown,

board *composition, tenure* and *quality* is likely to impact the ability of the board to effectively carry out their tasks.

The planning process of changes has to consider cognitive perspectives within the management group, in order to cope with the bureaucratic configuration and the resistance of individuals to change. These cognitive perspectives are related to the rules and behaviours that have helped the organization in the past and now are the focus of the change, gathering information necessary to assess the organization's ability to change.

Public organizations have to manage more complex tasks. These tasks may determine a change in organizational behaviours, if they are *reinforced* by public boards with an adequate pressure on results, pressing management to undertake planned changes.

In order to reinforce the change, boards have to exploit a behavioural control, managing the potential cause of a role conflict: they are expected to carry out their control task on management and especially on top management teams in order to protect the interest of stakeholders, but they need to work closely with them in order to make informed decisions in implementing the innovation.

To improve their behavioural control over management, boards need to be appointed to ever-increasing levels of strategy involvement, exploiting their influence not only at the end of the decisional process, but also during the planning of the innovation process.

Information asymmetry between board and management is likely to play an important role. Board's members normally have less access to information. In this case, innovation may lead to exert structural and relational power, making problematic the strategic control of boards.

Board *composition, tenure* and *quality* on one hand, and their system of information-gathering on the other are likely to impact the ability of the board to effectively carry out their tasks. The human capital of the board is, therefore, a source of innovation for public organizations. Even if some pioneer studies refer to the skills and expertise of board members (Cornforth, 1999), we need to examine boards in public organizations from a wider perspective, in order to take into account an intellectual capital framework, defined by the intellectual resources such as knowledge, information, experience, relationships, routines and procedures that public organizations' board can employ to create value (Nicholson, Kiel, 2004).

This study contributes to stimulating various future research directions. Further studies about boards and their processes in public organizations

should be undertaken, and further conceptual and empirical studies should also be conducted. In addition to these general calls for contribution, we can identify some further research paths, in relation to some limitations of this article. As far as the boards' role in the innovation of public organizations is concerned, the study focus of the relationship between board members and top management team and it does not investigate the relationships between board members and external resources. At the same time, inside the board room, the article does not investigate the board processes. Moreover, recent studies (Bessant, 2003; Hartley, 2005; Moore, Hartley, 2008), have showed that different typologies of public organizations are involved in various innovation processes, which vary from each other with different government levels involved. In order to operationalize the presented theoretical propositions in empirical tests, those differentiations have to be taken into account.

We know that the article raises more questions than answers, but we hope it provides a starting point for a debate. The main article aim was not to assess the importance of different explanations for public boards, but to identify theoretical components that assign relevance to boards to improve innovations in public organizations and to highlight the opportunity to examine them from a behavioural perspective.

References

- Agranoff R., McGuire M. (2001), "Big Questions in Public Network Management Research", *Journal of Public Administration Research and Theory*, 11(3), pp. 295-396.
- Airoldi G. (1991), "La gestione della complessità", *Lecco Economia*, 11, pp. 8-19.
- Barberis P. (1998), "The New Public Management and a New Accountability", *Public Administration*, 76, pp. 451-470.
- Barnes M., Newman J., Knops A., Sullivan H. (2003), "Constituting 'The Public' in Public Participation", *Public Administration*, 81(2), pp. 379-399.
- Baysinger B., Hoskins R. (1990), "The Composition of Boards of Directors and Strategic Control: Effects on Corporate Strategy", *Academy of Management Review*, 15(1), pp. 78-87.
- Bate P. (2000), "Changing the Culture of a Hospital: From Hierarchy to Networked Community", *Public Administration*, 78(3), pp. 485-512.
- Benton E.J. (2002), "County Service Delivery: Does Government Structure Matter?", *Public Administration Review*, 62(4), pp. 471-479.
- Benz M., Frey B. (2007), "Corporate Governance: What Can We Learn from Public Governance?", *Academy of Management Review*, 32(1), pp. 92-104.

- Bertelli A. (2006), "The Role of Political Ideology in the Structural Design of New Governance Agencies", *Public Administration Review*, 66(4), pp. 583-595.
- Bessant J. (2003), *High-involvement Management: Building and Sustaining Competitive Advantage through Continuous Change*, Chichester, Wiley.
- Bevir M., Rhodes R.A.W., Weller P. (2003), "Traditions of Governance: Interpreting the Changing Role of the Public Sector", *Public Administration*, 81(1), pp. 1-17.
- Blake A. (1999), *Dynamic directors: Aligning Board Structure for Business Success*, Basingstoke, Macmillan.
- Bogason P., Toonen T.A.J. (1998), "Introduction: networks in public administration", *Public Administration*, 76, pp. 205-227.
- Borgonovi E. (2006), *Principi e sistemi aziendali per le amministrazioni pubbliche*, Milano, EGEA.
- Bourdeaux C. (2007), "Conflict, Accommodation, and Bargaining: The Implications of Using Politically Buffered Institutions for Contentious Decision Making", *Governance*, 20(2), pp. 279-303.
- Bovaird T., Russell K. (2007), "Civil Service Reform in the UK, 1999-2005: Revolutionary Failure or Evolutionary Success?", *Journal of Public Administration Research and Theory*, 85(2), pp. 301-328.
- Boyne G., Dahya J. (2002), "Executive Succession and the Performance of Public Organizations", *Public Administration*, 80(4), pp. 691-710.
- Brereton M., Temple M. (1999), "The New Public Service Ethos: An Ethical Environment for Governance", *Public Administration*, 77(3), pp. 455-474.
- Brinkerhoff D.W. (2004), "Accountability and Health Systems: Toward Conceptual Clarity and Policy Relevance", *Health Policy Planning*, 19, pp. 371-379.
- Brooks A. (2002), "Can Non-Profit Management Help Answer Public Management's 'Big Questions'?", *Public Administration Review*, 62(3), pp. 259-266.
- Cafferata R. (1995), *Sistemi ambiente e innovazione: Come si integrano la continuità e il mutamento nell'impresa*, Torino, Giappichelli.
- Capano G. (2003), "Administrative Traditions and Policy Change: When Policy Paradigms Matter: the Case of Italian Administrative Reform During the 1990s", *Public Administration*, 81(4), pp. 781-801.
- Carpenter M.A., Geletkanycz M.A., Sanders W.G. (2004), "Upper Echelons Research Revisited: Antecedents, Elements, and Consequences of Top Management Team Composition", *Journal of Management*, 30(6), pp. 749-778.
- Clarence E. (2002), "Ministerial Responsibility and the Scottish Qualifications Agency", *Public Administration*, 80(4), pp. 791-803.
- Clatworthy M.A., Mellett H.J., Peel M. (2000), "Corporate Governance under 'New Public Management': An Exemplification", *Public Administration*, 82(2), pp. 166-176.
- Comacchio A. (1997), "La funzione Ricerca e Sviluppo", in G. Costa, R.C.D. Nacamulli, *Manuale di Organizzazione Aziendale*, vol. 3, pp. 487-520, Torino, Utet.
- Considine M. (2004), "Contract Regimes and Reflexive Governance: Comparing Employment Service Reforms in the United Kingdom, the Netherlands, New Zealand and Australia", *Public Administration*, 78(3), pp. 613-638.
- Consiglio S. (2000), "Il cambiamento organizzativo", in R. Mercurio, F. Testa, *Organizzazione assetto e relazioni nel sistema di business*, Torino, Giappichelli.
- Cornforth C. (2003), *The governance of Public and Non-Profit Organizations. What do boards do?*, London, Routledge,

- Cornforth C., Edwards C. (1999), "Board Roles in the Strategic Management of Non-profit Organizations: Theory and Practice", *Corporate Governance: An International Review*, 7(4), pp. 346-362.
- Crozier M. (1963), *Le phénomène bureaucratique*, Paris, Seville.
- Crozier M., Friedberg E. (1977), *L'Acteur e le Système: les Contraintes de l'Action Collettive*, Paris, Edition du Seuil.
- Cutting B., Kouzmin A. (1999) "From Chaos to Patterns of Understanding: Reflections on the Dynamics of Effective Government Decision Making", *Public Administration*, 77(3), pp. 475-508.
- Davies J.S. (2002), "The Governance of Urban Regeneration: A Critique of the 'Governing without Government' Thesis", *Public Administration*, 80(2), pp. 301-322.
- Decastri M. (2005), "Amministrazione pubblica e stereotipi. Alla ricerca della burocrazia perduta", in M. Decastri, L. Hinna, M. Meneguzzo, F. Mussari (a cura di), *Economia delle aziende pubbliche*, Milano, McGraw-Hill.
- Dent M., Howorth C., Mueller F., Preuschhof C. (2004), "Archetype Transition in the German Health Service? The Attempted Modernization of Hospitals in a North German State", *Public Administration*, 82(3), pp. 727-742.
- Dente B. (1995), "I caratteri generali del processo di riforma", in AA.VV., *Riformare la Pubblica Amministrazione*, Torino, Edizione Giovanni Agnelli.
- Dierick G. (2003), "Senior Civil Servants and Bureaucratic Change in Belgium", *Governance*, 16(3), pp. 321-348.
- Dopson S., Stewart R., Locock L. (1999), "Regional Offices in the New NHS: An Analysis of the Effects and Significance of Recent Changes", *Public Administration*, 77(1), pp. 91-110.
- Driscoll A., Morris J. (2001), "Stepping Out: Rhetorical Devices and Culture Change Management in the UK Civil Service", *Public Administration*, 79(4), pp. 804-824.
- Dunn D.D., Legge J.S. (2002), "Politics and Administration in U.S. Local Governments", *Journal of Public Administration Research and Theory*, 12(3), pp. 401-422.
- Dunsire A. (1995), "Administrative Theory in the 1980s: a Viewpoint", *Public Administration*, 73, pp. 17-40.
- Egeberg M. (1999), "The Impact of Bureaucratic Structure on Policy Making", *Public Administration*, 77(1), pp. 155-170.
- Farrell C.M. (2005), "Governance in the UK Public Sector: The Involvement of the Governing Board", *Public Administration*, 83(1), pp. 89-110.
- Ferlie E., Lynn L.E., Pollitt C. (2005), *The Oxford Handbook of Public Management*, New York, Oxford University Press.
- Fields D. (2007), "Governance in Permanent Whitewater: The Board's Role in Planning and Implementing Organizational Change", *Corporate Governance: An International Review*, 15(2), pp. 334-344.
- Flinders M. (2004), "Distributed Public Governance in Britain", *Public Administration*, 82(4), pp. 883-909.
- Finkelstein S., Hambrick D.C. (1996), *Strategic leadership: Top executives and Their effects on organizations*, St. Paul, MN, West Publishing.
- Forbes D.P., Milliken F.J. (1999), "Cognition and Corporate Governance. Understanding Boards of Directors as Strategic Decision-Making Groups", *Academy of Management Review*, 24(3), pp. 489-505.

- Freeman C., Perez C. (1986), *The diffusion of technical innovations and changes of the techno-economic paradigm*, Flamer-Brighton, Science Policy Research Unit, University of Sussex.
- Gabriellsson J., Huse M. (2004), "Context, Behaviour and Evolution. Challenges in Research on Boards and Governance", *International Studies of Management and Organization*, 34(2), pp. 11-36.
- Gabris G., Golembiewski R., Ihrke D. (2001), "Leadership Credibility, Board Relations, and Administrative Innovation at the Local Government Level", *Journal of Public Administration Research and Theory*, 11, pp. 89-108.
- Galbraith J.R. (1977), *Organization Design*, Reading, MA, Addison-Wesley.
- Giddens A. (1977), *Studies in Social and Political Theory*, London, Hutchinson.
- Goodstein J., Guatam K., Boeker W. (1994), "The Effects of Board Size and Diversity on Strategic Change", *Strategic Management Journal*, 15, pp. 241-250.
- Gouldner A.W. (1954), *Patterns of Industrial Bureaucracy*, New York, Glencoe, Free Press.
- Greer A., Hoggett P. (2000), "Contemporary Governance and Local Public Spending Bodies", *Public Administration*, 78(3), pp. 513-529.
- Guess G.M. (2005), "Comparative Decentralization Lessons from Pakistan, Indonesia, and the Philippines", *Public Administration Review*, 65(2), pp. 217-230.
- Hansen K.M., Ejersbo N. (2002), "The Relationship between Politicians and Administrators – A Logic of Disharmony", *Public Administration*, 80(4), pp. 733-750.
- Haque M.S. (2007), "Revisiting the New Public Management", *Public Administration Review*, 67, pp. 179-182.
- Harrison S., Wood B. (1999), "Designing Health Service Organization in the UK, 1968 to 1998: From Blueprint to Bright Idea and 'Manipulated Emergence'", *Public Administration*, 77(4), pp. 751-768.
- Hartley J. (2005), "Innovation in Governance and Public Services: Past and Present", *Public Money & Management*, 25(January), pp. 27-34.
- Hendry K., Kiel G.C. (2004), "The Role of the Board in Firm Strategy: Integrating Agency and Organizational Control Perspectives", *Corporate Governance*, 12(4), pp. 189-205.
- Hodges R., Wright M., Keasey K. (1996), "Corporate Governance in the Public Services: Concepts and Issues", *Public Money and Management*, 16(2), pp. 7-13.
- Hood C., Jackson M. (1991), *Administrative Argument*, Aldershot, Dartmouth.
- Hood C. (1998), *The art of the State: Culture, Rhetoric and Public Management*, Oxford, Oxford University Press.
- Hood C., James O., Scott C. (2000), "Regulation of Government: Has it Increased, is it Increasing, Should It Be Diminished?", *Public Administration*, 78(2), pp. 283-304.
- Hung H. (1998), "A Typology of the Theories of the Roles of Governing Boards", *Corporate Governance: An International Review*, 6(2), pp. 101-111.
- Huse M. (2005), "Accountability and Creating Accountability: A Framework of Exploring Behavioural Perspectives of Corporate Governance", *British Journal of Management*, 16, pp. 65-79.
- Huse M. (2007), *Boards, Governance and Value Creation*, Cambridge, Cambridge University Press.

- Huxham C., Siv V. (2000), "Leadership in the Shaping and Implementation of Collaboration Agendas: How Things Happen in a (not quite) Joined-up World", *Academy of Management Journal*, 43(6), pp. 1159-1175.
- Hyndman N., Eden R. (2001), "Rational Management, Performance Targets and Executive Agencies: Views from Agency Chief Executives in Northern Ireland", *Public Administration*, 79(3), pp. 579-598.
- Ingley C.B., Van Der Walt N. (2001), "The Strategic Board: The Changing Role of Directors in Developing and Maintaining Corporate Capability", *Corporate Governance: An International Review*, 9(3), pp. 174-185.
- Jacobsen D.I. (2006), "The Relationship between Politics and Administration: The Importance of Contingency Factors, Formal Structure, Demography, and Time", *Governance*, 19(2), pp. 303-323.
- Jørgensen T.B. (1999), "The Public Sector in an In-Between Time: Searching for New Public Values", *Public Administration*, 77(3), pp. 565-584.
- Kaufman H. (2001), "Major Players: Bureaucracies in American Government", *Public Administration Review*, 61(1), pp. 18-42.
- Kay A. (2001), "Beyond Policy Community – The Case of the GP Fund holding Scheme", *Public Administration*, 79(3), pp. 561-577.
- Keohane R.O., Nye J.S. (2000), "Introduction", in J.S. Nye Jr., J.D. Donahue (Eds.), *Governance in a globalizing world*, pp. 1-41, Washington, DC, Brookings Institution.
- Kerber K., Buono A.F. (2005), "Rethinking Organizational Change: Reframing the Challenge of Change Management", *Organizational Development Journal*, 23, pp. 23-28.
- Kettl D.F. (2000), "The Transformation of Governance: Globalization, Devolution, and the Role of Government", *Public Administration Review*, 60(6), pp. 488-497.
- Kettl D.F. (2000), "Public Administration at the Millennium: The State of the Field", *Journal of Public Administration Research and Theory*, 10(1), pp. 7-34.
- Kettl D.F. (2002), *The Transformation of Governance: Public Administration for the 21st Century*, Baltimore, Johns Hopkins University Press.
- Kirkbride J., Letza S. (2003), "Corporate Governance and Gatekeeper Liability: The Lessons from Public Authorities", *Corporate Governance: An International Review*, 11(3), pp. 262-271.
- Klijn E., Skelcher C. (2007), "Democracy and Governance Networks: Compatible or not?", *Public Administration*, 85(3), pp. 587-608.
- Knott J.H., Payne A.A. (2004), "The Impact of State Governance Structures on Management and Performance of Public Organizations: A Study of Higher Education Institutions", *Journal of Policy Analysis and Management*, 23(1), pp. 13-30.
- Kotter J.P. (1995), "Leading Change: Why Transformation Efforts Fail", *Harvard Business Review*, 73(2), pp. 59-67.
- Kumar K., Thibodeaux M. (1990), "Organizational politics and planned organizational change", *Group and Organization Management*, 15, pp. 357-365.
- Leftwich A. (1993), "Governance, democracy and development in the Third World", *Third World Quarterly*, 14(3), pp. 605-624.
- Levacic R. (1995), "School Governing Bodies: Management Boards or Supporters' Clubs?", *Public Money and Management*, 2, pp. 35-40.
- Ling T. (2002), "Delivering Joined-up Government in the UK: Dimensions, Issues and Problems", *Public Administration*, 80(4), pp. 615-642.

- Lowndes V., Wilson D. (2003), "Balancing Revisability and Robustness? A New Institutional Perspective on Local Government Modernization", *Public Administration*, 81(2), pp. 275-298.
- Lowndes V., Pratchett L., Stoker G. (2001), "Trends in Public Participation: Part 2 – Citizens' Perspectives", *Public Administration*, 79(1), pp. 205-222.
- Lynn L., Heinrich C., Hill C. (2000), "Studying governance and public management: challenges and prospects", *Journal of Public Administration Research and Theory*, 10, pp. 233-262.
- Mazouz B., Tremblay B. (2006), "Toward a Post Bureaucratic Model of Governance: How Institutional Commitment Is Challenging Quebec's Administration", *Public Administration Review*, 66(2), pp. 263-273.
- McGuire M. (2006), "Collaborative Public Management: Assessing What We Know and How We Know It", *Public Administration Review*, 66(1), pp. 33-43.
- McNulty T., Pettigrew A. (1999), "Strategists on the Board", *Organization Studies*, 20(1), pp. 47-54.
- Meier K.J., O'Toole L.J., Goerdel H.T. (2006), "Management Activity and Program Performance: Gender as Management Capital", *Public Administration Review*, 66(1), pp. 24-36.
- Meneguzzo M. (1997), "Ripensare la modernizzazione amministrativa e il New Public Management. L'esperienza italiana: innovazione dal basso e sviluppo della governance locale", *Azienda Pubblica*, 10(6), pp. 587-606.
- Merget A.E. (2003), "Times of Turbulence", *Public Administration Review*, 63(4), pp. 390-395.
- Merton R.K. (1949), *Social theory and social structure*, The Free Press, New York.
- Midttun A., Kamfjord S. (1999), "Energy and Environmental Governance Under Ecological Modernization: A Comparative Analysis of Nordic Countries", *Public Administration*, 77, pp. 873-895.
- Mintzberg H. (1979), *The Structuring of Organizations: a Synthesis of the Research*, Englewood Cliffs, Prentice-Hall.
- Minvielle E. (2006), "New Public Management à la Française: The Case of Regional Hospital Agencies", *Public Administration Review*, 66(5), pp. 753-763.
- Moore M., Hartley J. (2008), "Innovations in Governance", *Public Management Review*, 10(1), pp. 3-20.
- Morrell K. (2006), "Policy as Narrative: New Labour's Reform of the National Health Service", *Public Administration*, 84(2), pp. 367-385.
- Mulgan R. (2000), "'Accountability': An Ever-Expanding Concept?", *Public Administration*, 78(3), pp. 555-573.
- Nicholson G.J., Kiel G.C. (2004), "A Framework for Diagnosing Board Effectiveness", *Corporate Governance: An International Review*, 12(4), pp. 442-460.
- Oldersma J., Janzen-Marquard M., Portegijs W. (1999), "The Iron Ring in Dutch Politics Revisited", *Public Administration*, 77(2), pp. 355-360.
- Osborne D., Gaebler T. (1992), *Reinventing Government*, Reading, MA, Addison Wesley.
- Parkinson J. (2004), "Why Deliberate? The Encounter Between Deliberation and New Public Managers", *Public Administration*, 82(2), pp. 377-395.
- Perrow C. (1988), *Le organizzazioni complesse: un saggio critico*, Milano, Franco-Angeli.

- Peters G.B. (2000), "Policy Instruments and Public Management: Bridging the Gaps", *Journal of Public Management research and Theory*, 10, pp. 35-47.
- Peters G.B., Pierre J. (1998), "Governance without Government? Rethinking Public Administration", *Journal of Public Administration Research and Theory*, 8, pp. 223-243.
- Provan K.G., Isett K.R., Milward B. (2004), "Cooperation and Compromise: A Network Response to Conflicting Institutional Pressures in Community Mental Health", *Non-profit and Voluntary Sector Quarterly*, 33(3), pp. 489-514.
- Rebora G. (1999), *Un decennio di riforme. Nuovi modelli organizzativi e processi di cambiamento delle amministrazioni pubbliche (1990-1999)*, Milano, Guerini e Associati.
- Richards D., Smith M.J. (2004), "Interpreting the World of Political Elites", *Public Administration*, 82(4), pp. 777-800.
- Rindova V. (1999), "What Corporate Boards Have To Do With Strategy: a Contingency Perspective", *Journal of Management Studies*, 36, pp. 953-975.
- Rutherford M.A., Buchholtz A.K. (2007), "Investigating the Relationship between Board Characteristics and Board Information", *Corporate Governance: An International review*, 15(4), pp. 576-584.
- Samra-Fredericks D. (2000), "An Analysis of the Behavioural Dynamics of Corporate Governance – A Talk Based Ethnography of a UK Manufacturing 'Board-in-Action'", *Corporate Governance: An International Review*, 8(4), pp. 311-326.
- Sanderson I. (2002), "Performance Management, Evaluation and Learning in 'Modern' Local Government", *Public Administration*, 79(2), pp. 297-313.
- Selznick P. (1948), "Foundations of the Theory of Organizations", *American Sociological Review*, 13(1), pp. 25-35.
- Selznick P. (1949), *TVA and the grass roots: A study in the sociology of formal organization*, New York, Harper & Row.
- Selznick P. (1966), *Leadership in Administration: A Sociological Interpretation*, New York, Harper & Row.
- Siciliano R. (2002), "The Nixon Pay Board – A Public Administration Disaster", *Public Administration Review*, 62(3), pp. 368-373.
- Skelcher C., Mathur N., Smith M. (2005), "The Public Governance of Collaborative Spaces: Discourse Design and Democracy", *Public Administration*, 83(3), pp. 573-596.
- Smith R.W. (2003), "Enforcement or ethical capacity: Considering the role of state ethics commissions at the millennium", *Public Administration Review*, 63(3), pp. 283-295.
- Smith M., Beazley M. (2000), "Progressive Regimes, Partnerships and the Involvement of Local Communities: A Framework for Evaluation", *Public Administration*, 78(4), pp. 855-878.
- Stiles P., Taylor B. (2001), *Board at work: how directors view their roles and responsibilities*, Oxford University Press, Oxford.
- Stiles P. (2001), "The Impact of the Board on Strategy: An Empirical Examination", *Journal of Management Studies*, 38(5), pp. 627-650.
- Sullivan H., Barnes M., Matka E. (2006), "Collaborative Capacity and Strategies in Area-Based Initiatives", *Public Administration*, 84(2), pp. 289-310.

- Tosi H.L. (2008), "Quo Vadis? Suggestions for future corporate governance research", *Journal of Management and Governance*, 12, pp. 153-169.
- Vigoda-Gadot E., Meiri S. (2008), "New Public Management Values and Person-Organization Fit: A Socio Psychological Approach and Empirical Examination among Public Sector Personnel", *Public Administration*, 86(1), pp. 11-131.
- Weber M. (1922), *Wirtschaft und Gesellschaft*, Tübingen, Mohr.
- Weimer D.L. (2007), "Medical Governance: Are We Ready to Prescribe?", *Journal of Policy Analysis and Management*, 26(2), pp. 217-229.
- West W.F., Durant R. (2000), "Merit, Management, and Neutral Competence: Lessons from the U.S. Merit Systems Protection Board", *Public Administration Review*, 60(2), pp. 111-122.
- Westphal J.D. (1999), "Collaboration in the Boardroom: Behavioral and Performance Consequences of CEO-Board Social Ties", *Academy of Management Journal*, 42(1), pp. 7-24
- Wright B.E. (2001), "Public-Sector Work Motivation: A Review of the Current Literature and a Revised Conceptual Model", *Journal of Public Administration Research and Theory*, 11(4), pp. 559-586.
- Wright B.E. (2004), "The Role of Work Context in Work Motivation: A Public Sector Application of Goal and Social Cognitive Theories", *Journal of Public Administration Research and Theory*, 11(4), pp. 559-586.
- Zona F., Zattoni A. (2007), "Beyond the black box of demography: Board processes and task effectiveness within Italian firms", *Corporate Governance: An International Review*, 15(5), pp. 852-864.

