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The multi-dimensional nature of public-private hybrid organizations: conceptual advancements and empirical analyses.

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Chapter I. Introduction

Modern public administration is featured by a constellation of hybrid organizations, which combine aspects from the public, private and third sectors (Billis and Rochester 2020). The focus of my thesis is on hybrid organizations (also HOs hereafter) merging public and private sectors characteristics. Over time, scholars have converged (e.g., Grossi et al. 2017; Johanson and Vakkuri 2018) around four essential items that define a public-private hybrid. The first is *mixed ownership* between public and private shareholders or stockholders, as in listed State-Owned Enterprises (Bruton et al. 2015). The second is *goal incongruence*, which refers to the frequent ambiguity and ambivalence between HO's objectives, as they simultaneously pursue profit-seeking activities and societal effectiveness (Alexius and Örnberg 2015). Additionally, it can relate to the ambivalence derived from HOs' exposition to market competition (Berge and Torsteinsen 2022). Third, *multiplicity of funding arrangements,* since the financial stability of HOs can come from multiple sources, combining tariffs, direct funding from the government and revenues from commercial activities (Honing and Karsten 2007). Lastly, *public and private forms of financial and social control*, which combine hierarchy (e.g. regulation) and market driven forms of control (e.g. board appointment) (Koppell 2003).

These organizations are a legacy of reforms inspired by New Public Management (NPM) (Hood 1991), which were aimed at making the public sector more business-like through the adoption of market-based arrangements, including the corporatization of multiple public service organizations (Andrews et al. 2020) and the introduction of values and practices inspired by the market into public organizations (Osborne 2006). As a result, public services nowadays are increasingly delivered by hybrid organizations (Karré 2022), which can contribute to societal development by delivering innovations and services that would otherwise be lacking (Cappellaro, Compagni and Dacin 2023). Yet, HOs also come with considerable risks: being an intermediate actor between the public sector and citizens, they break the traditional vertical accountability relationship (André 2010), making it difficult, assessing 'who' is accountable 'to whom' and 'for what' (Grossi and Alexius 2015). Moreover, the contextual pursuit of dual missions can result in the abandonment of one in favour of the other, a risk referred to as mission drift (Ebrahim et al. 2014).

The contextual presence of potential risks and benefits make HOs fascinating new forms of organizing (Battilana and Lee 2014) which gathered increasing academic interest (Kumar Hota et al. 2022), spanning from management & accounting (Vakkuri and Johanson 2020) to public administration & management (PAM) (Denis et al. 2015; Grossi and Thomasson ibidem) and organization theory (Cappellaro, Tracey, and Greenwood 2020). The academic debate in PAM is so vivid, that the 2024 International Research Society for Public Management (IRSPM) conference theme is "Hybrid futures for public governance and management". Despite the growing interest devoted to HOs, we are still missing some crucial puzzle pieces to unveil hybridity, as I will describe in the following section.

The academic discourse around HOs and research gaps

Over time, studies devoted to HOs developed around different disciplines, as depicted in Table 1.1[1].

Table 1.1. Overview of the main theoretical frameworks and research subject per discipline. Own elaboration

Discipline	Prevailing theoretical framework in studying HOs	Main focus	Seminal contributions
Management & accounting	Institutional logics (Thornton, Ocasio, and Lounsbury 2012)	Managing conflicting logics and related tensions though **'material practices'** (Friedland and Alford 1991), with a dominant focus on Management Control Systems	De Waele et al. 2021 Vakkuri and Johanson 2020
Organization theory		Preserving hybridity through **organizational practices,** so to avoid mission drift (Ebrahim et al. 2014), mainly focusing on organizational structure and governance mechanisms	Battilana and Lee 2014 Ebrahim et al. 2014 Pache and Santos 2013
Public administration and management	Public accountability and control (Mulgan 1997)	Ensure transparency and responsibility in HOs' actions, mainly through forms of **formal and informal control** and **regulation**.	André 2010 Grossi and Thomasson 2015 Koppell 2003

The dominant theoretical framework in studies devoted to HOs is institutional theory, especially institutional logics (Thornton, Ocasio, and Lounsbury 2012). An institutional logic is defined as 'a set of material practices and symbolic constructions constituting organizing principles which are available to organizations and individuals to elaborate' (Friedland and Alford 1991, 248). Logics provide societal rationales that guide organizations and individuals (Battilana, Besharov, and Mitzinneck 2017). Typically, HOs combine at least two institutional logics: the market one, which fosters economic efficiency and profitability under the NPM

[1] This overview focuses on the most recurrent frameworks found in literature, but does not cover all the theoretical perspectives on hybridity, as described in Article I.

paradigm; and the state logic, which is oriented towards pursuing compliance and legality under the bureaucratic paradigm (Thornton, Ocasio, and Lounsbury ibidem). The successful adaptation to the technical and social expectations required by each institutional logic ensures *institutional isomorphism* (Di Maggio and Powell 1983). Nonetheless, these logics bring about competing demands, which challenge both organizational and individuals' identity (Jay 2013). How to deal with such competing demands marks the major difference between research rooted in management and in organizational studies. The former is sharply influenced by accounting studies, which frame Management Control Systems (MCS) as the 'material practices' that can support the balance between competing demands. Relatedly, this stream of literature investigates the role of MCS in institutionalizing hybridity and reducing value crashes (e.g. Conrath-Hargreaves and Wustemann 2019). Also, it focuses on the importance of developing adequate measurement schemes to capture HOs' multi-dimensional nature (Grossi et al. 2017), yet finding no one-fits all solution (De Waele et al. 2021). Organization studies on HOs, instead, are concerned with the organizational practices that can preserve hybridity, also referred to as 'hybrid organizing', which includes 'the activities, structures, processes and meanings by which organizations make sense of and combine aspects of multiple organizational forms' (Battilana and Lee 2014, p. 398). These include selective coupling (Pache and Santos 2013) and the creation of spaces of negotiation (Battilana et al. 2015), so to avoid mission drift. Last, PAM scholars investigate how to preserve democratic accountability (André 2010) by clarifying 'who' is accountable to 'whom' and 'for what' (Grossi and Thomasson 2015), mainly through regulation and forms of control (Koppell 2003). Frequently, these studies focus on reducing the agency problem between the public shareholder (principal) and the HO (agent), mainly through corporate governance arrangements (e.g. board appointment, see Bergh et al 2019). This short overview illustrates how research on HOs developed across different disciplines, yet with little cross-fertilization. Nonetheless, these research streams would indeed benefit from mutual learning. As an example, management control systems could be framed as organizational practices that can allow dual goal balance. At the same time, organizational practices, such as recruitment policies, are profoundly intertwined with the organizational strategic management, which is at the core of public management studies. Additionally, a comprehensive representation of knowledge on HOs could strengthen the field and distinguish it from other streams of literature devoted to cross-sector partnerships, including Public-Private Partnerships (PPPs). This leads to the first research gap I address in this work:

Research gap 1. *Scholars in the field are lacking a systematic view over extant literature on HOs that merges perspectives from different disciplines under a unitary framework, so to allow greater cross-fertilization and pave the way for future research. Such systematic view would enable further conceptual clarity between HOs and other cross-sector partnerships, including Public-Private Partnerships.*

This research gap is addressed through a systematic literature review of extant research (Article I, see infra), which substantially contributed to the identification of the research gaps I tackled in the subsequent two studies. Notably, in my review I found that there is little evidence on how HOs' maintain their legitimacy in the external environment, which is a key source of resource acquisition and survival (Di Maggio and Powell 1983) that tends to favour 'conventional' and 'pure' organizational forms (i.e., public or private organizations). Moreover, my findings show that due to the predominance of studies focusing on the economic payoff of HOs as forms of delivery, literature is not unanimous in establishing how HOs can contribute to creating value for society. In other terms, it is still unclear, whether and how HOs actually provide a positive contribution to modern public administration, in both economic and non-economic terms. This finding is surprising, as the debate around the need for public service organizations to contribute to value creation as a source of legitimacy is vivid, in the wave of the application of service management theories to public services (e.g. Osborne, Nasi and Powell 2021; Osborne et al. 2022). This leads to the second research gap I aim to tackle in this thesis:

Research gap 2. *The field would benefit from a more fine-grained understanding of how HOs maintain legitimacy in their environment, illustrating the role that measurement schemes play in this process to give adequate representation of both economic and non-economic results.*

The following section describes how I approached this research gaps in terms of research questions, empirical data and methods.

Overview of the thesis: guiding research questions, empirical data and methods

Building on the above-mentioned research gaps, the objective of my thesis is twofold. On the one hand, to reconcile studies on HOs under a unitary framework, favoring further conceptual clarity between these organizational forms and other cross-sector partnerships (notably, PPPs). On the other, to provide empirical analyses on how to grasp value in HOs to maintain organizational legitimacy in the environment. Hence, my work unveils around two overarching research questions:

RQ1. How can literature on HOs be reconciled under a unitary framework?

RQ2. How can measurement systems support hybrid organizations' ability to maintain legitimacy in the environment?

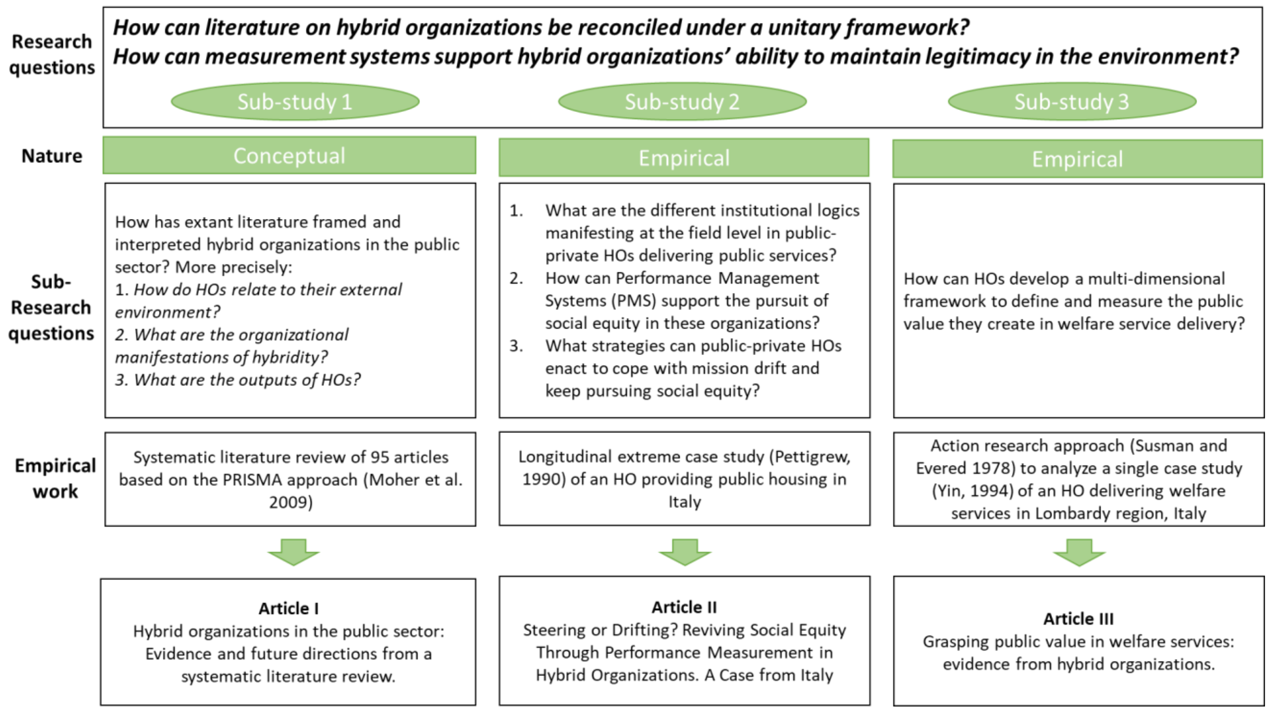
To answer these questions, I employed a three-study approach with more specific sub-questions. First, *how has extant literature framed and interpreted hybrid organizations in the public sector?*. I tackled this question by adopting an organizational analysis perspective to analyze three core features of HOs, namely: the relationship with the environment, the way hybridity manifests in internal processes, the outputs of organizational activities. I focus on the public sector as my interest is on the presence of and role exerted by HOs in modern public administration. Second, *how can HOs combine multiple institutional logics in public services delivery?* More precisely, *what are the different institutional logics manifesting at the field level in public-private HOs delivering public services and how can Performance Management Systems (PMS) support the pursuit of social equity in these organizations to avoid mission drift*?. This question addresses a recent call for studies (Besharov and Mitzinneck 2020) on the presence of more than two institutional logics within the same HO and focuses on how this multiplicity reflects on value measurement to avoid the abandonment of one or more of the organization's core missions. Third, *how can HOs develop a multi-dimensional framework to define and measure the public value they create in welfare service delivery*?. This question introduces the construct of public value (Moore 1995) which I assert can be a proper framework to assess HOs' contribution to generating value for society. In both Articles II and III I develop on how a multi-dimensional measurement scheme can support HOs' maintenance of legitimacy in their referring environment.

Given the exploratory nature of my research questions, I adopted a qualitative epistemological stance (Stebbins 2001) throughout the thesis. The empirical setting for my research is Italy, which in the past thirty years experienced a massive growth of HOs resulting from the enactment of NPM-inspired reforms (Grossi and Reichard 2008) and is consequently an adequate field for my purpose. To answer the first sub-question, I conducted a systematic literature review based on the PRISMA approach (Moher et al. 2009) of 95 peer-reviewed manuscripts on public-private hybrids in the public sector. Evidence is collected in Article I, entitled

"Hybrid organizations in the public sector: Evidence and future directions from a systematic literature review", described in Chapter II. As for the second sub-question, I contribute to the development of the field through a longitudinal extreme case study (Pettigrew 1990) of a large Italian HO delivering public housing. Results are collected in Article II, entitled "Steering or Drifting? Reviving Social Equity Through Performance Measurement in Hybrid Organizations. A Case from Italy", described in Chapter III. For the last sub-question, I adopted an action research approach (Susman and Evered 1978) to analyse a single case study (Yin 1994) of an HO delivering welfare services in Lombardy region, Italy. Results are collected in Article III, entitled "Grasping public value in welfare services: evidence from hybrid organizations", reported in Chapter IV. Data collection for Articles II and III is based on the combination of semi-structured interviews, archival documents and focus groups with relevant stakeholders.

Figure 1.1 summarizes the structure of the thesis and sub-studies.

Figure 1.1. Structure of the thesis and of sub-studies.

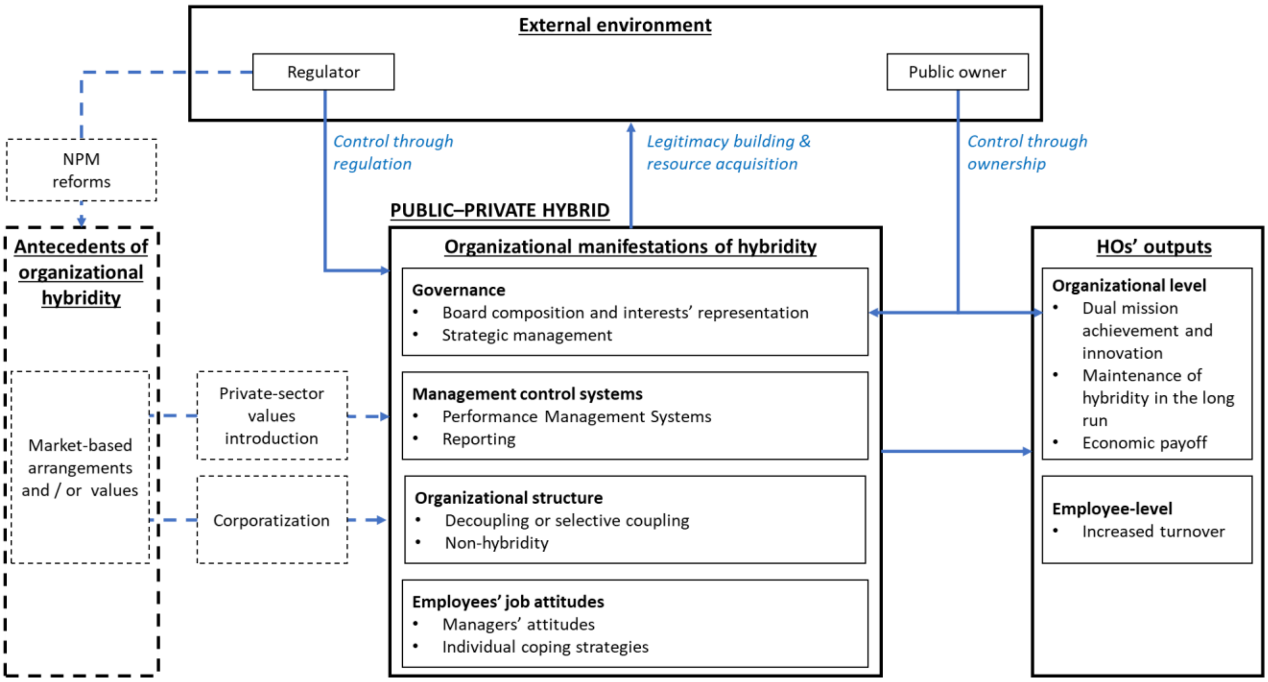


Main findings and contributions to theory

Results from the thesis can advance the conceptual development of research on HOs and unveil the role of measurement schemes in supporting legitimacy for HOs in their environment.

Concerning the former, in Article I, I develop an analytical framework synthetizing records from management & accounting, organization studies and PAM (Figure 1.2).

Figure 1.2. Analytical framework of research on HOs. Source: Article I[2]



This unitary representation of extant knowledge provides scholars in the field with a clear-cut picture, avoiding wasted motion in future research. The framework starts from the relationship between HOs and their external environment, which has a dynamic nature. HOs seek legitimacy and resources in the environment; whereas the latter plays a double role. On the one hand, the public as regulator enacts NPM-inspired policies which lead to the birth and rise of HOs through corporatization or the introduction of values inspired by the private sector. Moreover, the regulator enforces control over HOs to ensure democratic accountability. On the other hand, public bodies can also own HOs, exerting control in defining corporate governance schemes and in ex post evaluation of organizational outputs, to ensure interests' alignment. Focusing on the organizational manifestations of hybridity, the governance structure reflects the multiplicity of shareholders (public and / or private) and interests that the HOs are subject to. In this respect, literature stresses the role of boards in compromising between the conflicting values these actors bring by, defining the strategic direction for the HO. Further, management control systems enable the institutionalization of hybridity through performance

[2] Though I found no studies devoted to the studying of antecedents of organizational hybridity, all records included in the review acknowledge NPM-oriented reforms as the main source of hybridization of public service organizations. Hence, I decided to depict them through dotted lines.

management systems and reporting activities; whereas the organizational structure reflects different levels of integration between dual missions in HO's organizational design. At the micro level we can observe managers' and employees' attitudes towards hybridity, with different degrees of acceptance. Last, organizational hybridity outputs can be observed at the organizational or employee (individual) level. Based on these results, in Article I, I illustrate a research agenda to strengthen the HO field from an empirical and theoretical perspective. Besides the value of the framework, my review contributes to disentangling the construct of HOs from that of PPPs. In fact, PPPs mostly have a contractual-based nature between autonomous organizations (Marsilio, Cappellaro and Cuccurullo 2011; Wang et al. 2018), whereas HOs encompass the vast spectrum of distinctive organizations blending features from the private and public sectors, including the limited subsample of PPPs formalized into novel entities. This conceptual clarification has empirical and theoretical implications. As for the former, the phenomena under scrutiny varies, spanning from contractual relations (PPPs) to formal organizations (HOs). From a theoretical perspective, scholars studying PPPs largely rely on transaction cost economics to detect how to minimize transaction costs through these forms of delivery. On the contrary, studies on HOs are rooted in institutional theory, as they investigate how logics are embedded into distinct organizations and the emerging tensions between conflicting values.

As concerns the empirical contributions on the role of measurement schemes in supporting the maintenance of legitimacy, Article II and III provide substantial advancements to the field.

In article II, I investigate the field level presence of more than two institutional logics in a HO and the interaction between these logics over time by building on Besharov and Mitzinneck's (2020) framework, which includes the degree of centrality, i.e., the extent to which logics are regarded as equally important versus one being dominating the other(s) and the degree of compatibility, i.e., whether logics entail (in)consistent or contradictory cognition. Evidence from my case study shows the field level manifestation of three institutional logics: the traditional market and state ones, plus social equity, which refers to how fairly services are distributed among citizens (Smith, Harper and Potts 2013). Moreover, in analyzing the interaction between these logics over time, I show how the presence (absence) of dedicated measures in performance management systems mirroring all logics in place is crucial to avoid (lead to) mission drift. Table 1.2 depicts the evolution of logics' interaction in the HO under scrutiny (UT-provider, pseudonym), leading to a different ability to keep up on all of organizational missions. In the 'hybridizing' phase, no dedicated measures existed to monitor social equity, making it substantially unsupervised and taken for granted. Consequently, social equity was neglected, leading to the recognition of a mission drift, clearly visible in a misallocation of housing units, which led to external criticism of the organization's legitimacy.

Table 1.2. The evolution of centrality and compatibility between logics in the UT-provider case. Source: Article II

	State and market	**State and social equity**	**Market and social equity**
Hybridizing (1997-2020)	**Centrality**: low **Compatibility**: low Efficiency is the primary focus for UT-provider (centrality), to overcome limits from bureaucracy (compatibility).	**Centrality**: low **Compatibility**: low Regional norms and procedures are built to respond to those most in need in society but formal compliance can be prioritized (centrality) and contrast social equity (compatibility).	**Centrality**: low **Compatibility**: low Financial results are the only objectives required by the regional shareholder and guide organizational action (centrality). Tenants' paying higher rents provide greater return than those at poverty risk (compatibility).
Drifting ***(2020)***	**Centrality**: high **Compatibility**: high UT-provider requires a change in regional norm to support its financials (centrality), whose effect increase revenues (compatibility).	**Centrality**: high **Compatibility**: low UT-provider requires changes that are aimed to increase fairness (centrality). Yet, its proposals show a distorted housing distribution (compatibility).	**Centrality**: high **Compatibility**: low Data on tenants' distribution among different ISEE[3] brackets show unfair distribution of housing due to historical greater attention devoted to financial equilibrium at the expenses of social equity (compatibility). Yet, social equity is now at the centre of the organizational debate just as much as NPM-related discourses (centrality)

[3] ISEE refers to the Equivalent Financial Situation Index ("Indicatore della Situazione Economica Equivalente"), which establishes the access criteria to public housing.

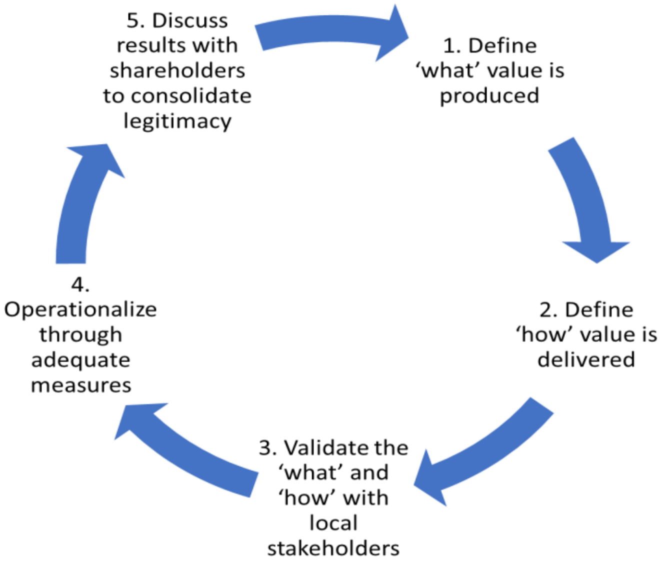
Steering ***(2021-ongoing)***	**Centrality**: High **Compatibility**: High UT-provider engages in a further change in regional norm to identify new ISEE brackets that might support its financials (centrality), trying to identity appropriate brackets' level to ensure financial sustainability (compatibility)	**Centrality**: High **Compatibility**: high UT provider is defining access criteria that can account for overall equity (centrality) for all tenants, to ensure they are consistent with the pursuit of social equity (compatibility)	**Centrality**: High **Compatibility**: High (in progress) Social equity is considered just as important as the pursuit of good financial results (centrality), yet how to converge is still in the process (compatibility)

The Article successively reflects on how the lack of adequate measurement systems led to a mission drift, and illustrates the different actions enacted to re-balance logics and foster social equity ('Steering' phase in Table 1.2), namely shareholder engagement, revision of the organizational design and of the PMS, bringing together 'solutions' typical of organizational studies and public management, respectively. This work contributes to the recognition of the multiplicity of logics within hybrids and on the operational consequence of such co-existence, stressing the managerial initiatives that can be implemented to find a balance between competing logics and ensure equitable outcomes.

Article III illustrates how the development of a public value measurement scheme can support HOs in tackling legitimacy issue from its shareholders. In detail, I analyze the case of an Italian HO delivering welfare services which was questioned by shareholders on its economic convenience, requiring innovative ways to represent the value generated for the community. To rebut these allegations, the HO took part to an action research project to develop a public value measurement scheme with its stakeholders. Such process resulted in a multi-dimensional representation of the value created by the organization for the community, which provided shareholders with financial and non-financials measures of value and ultimately convinced them about the HO still being an appropriate form of delivery. This Article's main contribution relates to the definition of a process to develop a public value measurement framework in an HO (Figure 1.3) that can be tailored to different contexts (both geographical and of policy). The starting point (step 1) is about collectively defining 'what' are the dimensions of public value generated by the HO and 'how' (step 2) it delivers such value at an operational level. These steps are first centred on the top management view and successively validated and integrated (step 3) by external stakeholders (including representatives from shareholders). Further (step 4) the organization shall find adequate multi-dimensional measures to operationalise the 'what' and the 'how', building on financial, non-financial data and stakeholders' perspective. Last, results should be discussed (step 5) with shareholders to consolidate HO's legitimacy in its external environment, providing policy makers with more accurate and fine-grained evaluations schemes for its activities (Grossi and Thomasson, 2015), beyond economic figures. This legitimacy building process could be extended to the vast range of HOs' stakeholders (e.g., citizens and users) through dedicated community meetings.

Notably, the work of conceptualization and measurement described in this work is crucial to overcome typical criticism on the elusiveness of the construct of public value (O'Flynn, 2007), providing relevant contribution for research in this field as well.

Figure 1.3. A process view for the development and measurement of public value in HOs. Source: Article III



Conclusions

Going back to my overarching research questions, evidence brought by in this thesis brings extant literature on HOs under a unitary framework (RQ1, see Figure 1.2) and reflects on how measurement systems can support HOs' in maintaining their legitimacy in the environment (RQ2). As for the former research question, my systematic literature review makes two main contributions. First, it provides an up-to-date organizational analysis perspective to detect the core dimensions of HOs as distinctive organizations, indicating future research avenues that can advance the theoretical and empirical understanding of HOs. Second, it contributes to disentangling the construct of HOs from that of PPPs. Concerning the second research question, evidence from Articles II and III support at least two dynamics. First, measurement schemes mirroring all institutional logics in place within the HO allow the monitoring of the risk of mission drift and can inform interventions to rebalance logics and ensure equitable outcomes, to maintain legitimacy in the community. Second, co-designed and comprehensive measurement schemes can reinforce the HO's legitimacy by providing shareholders with tangible measures over the multi-dimensional contribution of the organization, beyond pure economic figures.

The remainder of the Thesis is structured as follows: Chapter II, III and IV illustrate Article I, II and III, respectively. Each Chapter describes into detail the theoretical framework adopted in the Article, the methods and empirical evidence. Plus, it concludes with a discussion on how evidence contributes to the advancement of extant literature and on avenues for future research.

This thesis inevitably has some limitations. The core of the empirical evidence comes from single case studies and from a single geographical context (Italy), which harms the generalizability of results across different contexts. Moreover, throughout the thesis I am missing the users' perspective, which is crucial in assessing the value of modern public services (Osborne et al. 2022). Despite its limitations, I am confident that this thesis can contribute to the conceptual and empirical advancement of the field of study on HOs in modern public administration.

Last, I am profoundly thankful to all the mentors and colleagues that supported me in crafting my articles and developing my research throughout the years. In particular, I would like to thank Prof. Eugenio Anessi Pessina (Università Cattolica del Sacro Cuore), Prof. Elio Borgonovi (Bocconi University), Prof. Giulia Cappellaro (Bocconi University), Prof. Daniele Cerrato (Università Cattolica del Sacro Cuore), Prof. Giorgio Giacomelli (SDA Bocconi School of Management), Prof. Elisabetta Notarnicola (SDA Bocconi School of Management) and Prof. Raffaella Saporito (SDA Bocconi School of Management). This work would not have been the same without your crucial support and feedback.

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Chapter II. Hybrid organizations in the public sector: Evidence and future directions from a systematic literature review.[4]

Introduction

Hybrid organizations (HOs) are 'formal organizations that utilize the distinctly different principles of more than one of the three sectors (public, private, third)' (Billis and Rochester 2020, 1). Extant literature investigated organizations combining features from the private and third sectors (mostly social enterprises, see Liston-Heyes and Liu 2021; Powell, Gillet, and Doherty 2018) and from the public and the private sectors (Vakkuri and Johanson 2020a). In this study, we focus on the latter area of research as the former is already widely explored in recent reviews (Battilana 2018).

The rise of public-private HOs (HOs hereafter) is a legacy of reforms inspired by New Public Management (NPM) (Hood 1991), which were aimed at making the public sector more business-like through the adoption of market-based arrangements, including the corporatization of multiple public service organizations (Andrews et al. 2020; Vos and Voets 2023) and the introduction of values and practices inspired by the market into public organizations (Osborne 2006). Today HOs account for a large share of the global gross domestic product (10% in 2015, Bruton et al. 2015) and are increasing in number as the government spending and intervention in the economy is sharply rising (Financial Times, September 5th, 2023).

The research interest in the relevance of hybridity has increased over time (Kumar Hota et al. 2022) and has been expanding from management & accounting (Vakkuri and Johanson 2020b) to public administration and management (PAM) (Denis et al. 2015; Grossi et al. 2020). Scholars have converged (e.g., Grossi et al. 2017; Johanson and Vakkuri, 2018) around four essential items that define the public-private hybridity of an organization. The first is *mixed ownership* between public and private shareholders or stockholders, as in listed State-Owned Enterprises (Greve and Andersen 2001). The second is *goal incongruence*, which refers to the frequent ambiguity and ambivalence between HO's objectives (Bianchi, Roy and Teasdale 2022), as they simultaneously pursue profit-seeking activities and societal effectiveness (Alexius and Örnberg 2015). Additionally, it can relate to the ambivalence derived from HOs' exposition to market competition (Berge and

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Torsteinsen 2022). Third, *multiplicity of funding arrangements*, since the financial stability of HOs can come from multiple sources, combining tariffs, direct funding from the government and revenues from commercial activities (Honing and Karsten 2007). Lastly, *public and private forms of financial and social control,* which combine hierarchy (e.g. regulation) and market driven forms of control (e.g. board appointment) (Koppell 2003). Given the breadth of such definition, research on HOs explored diverse organizations blending two or more sectoral characteristics (Karré 2022), including State-Owned Enterprises (SOEs) (Bruton et al. 2015), Municipally Owned Corporations (MOCs) (Voorn 2022), Knowledge Intensive Public Organizations (KIPOs) (Vakkuri and Johanson 2020b) and the subset of public–private partnerships (PPPs) formalized into independent novel organizations (Matinheikki et al. 2021).

Despite the rising interest in HOs, we lack a comprehensive view of the state of the art of extant knowledge in the field, merging perspectives from management & accounting and PAM. To fill this gap, we conduct a systematic review of records on HOs (final sample of 95 documents) based on the Preferred Reporting Items for Systematic Reviews and Meta-Analysis (PRISMA) approach (Moher et al. 2009). Our guiding research question (RQ) is:

How has extant literature framed and interpreted hybrid organizations in the public sector?

More precisely, we adopt an organizational perspective to analyse three core dimensions of HOs. First, the relationship with the environment, which has long been studied as a key source of resource acquisition (Jacobs 1974) and of legitimacy (Di Maggio and Powell 1983) for organizations. We are interested in exploring the relationship between HOs and their public stakeholders, as it is a driver of democratic accountability and supports the fulfillment of the organizational mission (Bryson 2004). Secondly, we investigate the way hybridity manifests within the organization. We focus on governance, since boards in public organizations play a pivotal role in ensuring accountability (Cornforth 2002), and on internal functioning choices (e.g. organizational design), which reflect how complex organizations cope with demands from the external environment (Lawrence and Lorsch 1967). Last, we investigate the outputs of organizational activities, as they represent a crucial benchmark to assess organizations' efficiency and effectiveness (Andersen, Boesen and Pedersen 2016). Consistently, we further develop our main RQ into three sub-questions:

1. *How do HOs relate to their external environment?*
2. *What are the organizational manifestations of hybridity?*
3. *What are the outputs of HOs?*

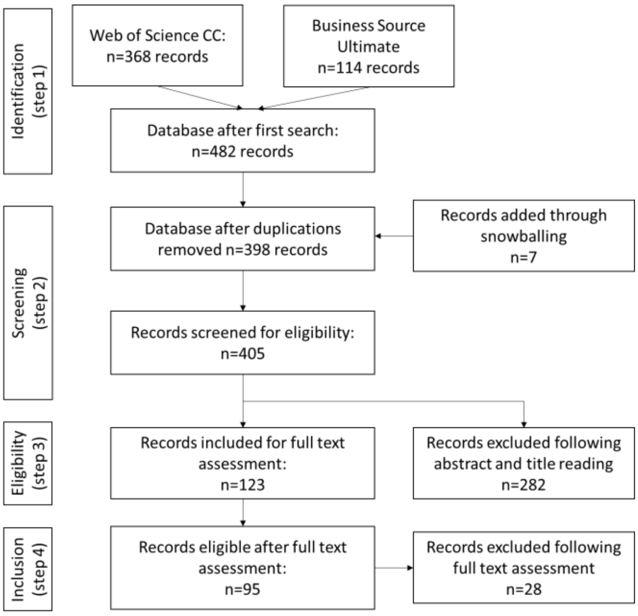
In accordance with our questions, we present an analytical framework of extant research on HOs in the public sector realm which encompasses our three core dimensions of HOs: the relationship with the external environment, the different organizational manifestations of hybridity and HOs' outputs.

This review provides multiple contributions. First, we reconcile the above-mentioned different streams of literature under a unitary framework, as they developed in parallel with little cross-fertilization. In doing so, we provide an organizational analysis perspective to detect the core dimensions of HOs as distinctive organizations. Second, we illustrate an updated overview of extant studies which accounts for the numerous recent publications on the field, including multiple Handbooks (e.g., Alexius and Staffan 2019; Billis and Rochester 2020), indicating future research avenues that can advance the theoretical and empirical understanding of HOs. Third, our review contributes to disentangling the construct of HOs from that of PPPs. PPPs mostly have a contractual-based nature between autonomous organizations (Marsilio, Cappellaro and Cuccurullo 2011; Wang et al. 2018), whereas HOs encompass the vast spectrum of distinctive organizations blending features from the private and public sectors, including the limited subsample of PPPs formalized into novel entities. This conceptual clarification has empirical and theoretical implications. As for the former, the phenomena under scrutiny varies, spanning from contractual relations (PPPs) to formal organizations (HOs). From a theoretical perspective, scholars studying PPPs largely rely on transaction cost economics to detect how to minimize transaction costs through these forms of delivery. On the contrary, studies on HOs are rooted into institutional theory, as they investigate how logics are embedded into distinct organizations and the emerging tensions between conflicting values. Last, as studies on corporatization are gaining momentum (see the dedicated Symposia in Public Administration, 2022) we illustrate spaces for cross-fertilization, as multiple HOs are corporatized entities.

Methods

To address our research question, we conducted a systematic review of studies on HOs. The choice of the systematic review is appropriate for two reasons: first, over the past decades the interest in HOs in the public sector has sharply increased, and this has led to an adequate number of contributions published to be used as the basis for a systematic review. Second, the systematic review approach allows for synthesising relevant literature under a unitary framework. In line with recent studies in public management (Cappellaro 2017; Giacomelli 2020; Nasi et al. 2022), we followed the PRISMA protocol, to ensure transparency, clarity, and the use of a reproducible method for selecting and assessing scientific contributions (Tranfield, Denyer, and Smart 2003). We detail below each step of the review protocol (Figure 2.1).

Figure 2.1. Literature search flow diagram



Step 1 | Identification

The review process started with the definition of keywords, which was informed by authors' familiarity with the field and some seminal studies which recently provided comprehensive contributions over the role of HOs in the public sector, including Denis et al. (2015), Karré (2022) and Vakkuri et al. (2021).

Keywords were selected to capture the dimensions of our topic, that is, HOs in the public sector. Table 1 shows the final set of selected keywords and the search algorithm. Given our purpose to advance the conceptual understanding of HOs, we isolated studies referring explicitly to the term 'hybrid organization' in the framing, and did not include in the search query different terms such as 'public–private partnerships' or 'corporatization' as alternatives to 'hybrid organizations'. We also included 'hybridity' as a keyword, since it can capture studies that investigate forms of hybridity in the public sector, including the organizational one. Moreover, our interest is devoted to HOs in the public sector. Consistently, we identified a set of terms that would allow us to find records in line with the scope of this review.

Table 2.1. Keywords for the query

Term	Keyword
Hybrid Organization	'Hybrid organi?ation*' or 'hybridity'
And	
Public sector	'public sector' or government or 'public administration' or 'public organi?ation*' or 'public management'

Being interested in the evolution of the scholarly discourse over hybrid organizations, we included all articles published until December 2022.

The review includes articles from journals, books and book chapters, all peer-reviewed. We excluded non-refereed publications as the review process acts as a quality control mechanism that validates the knowledge provided by such articles (Light and Pillemer 1984). Finally, we included only articles published in English, which is frequently used in systematic reviews due to the practical difficulties, in terms of translation and replicability, that the use of other languages would pose. Our search algorithm (Table 2.1) was utilized in two electronic databases: Web of Science (WoSc) Core Collection and EBSCO – Business Source Ultimate. In both databases, we searched the presence of the selected keywords in the titles and abstracts, and added our eligibility criteria as filters (language, time frame and type of publication).

We found 368 and 114 articles on WoSc and EBSCO, respectively.

Step 2 | Screening

We subsequently merged the two datasets and removed the duplicates (84 articles), ultimately obtaining 398 records. This set was integrated through snowballing to include articles and books that we considered relevant to the analysis, including recently published handbooks (Alexius and Furusten 2019; Billis and Rochester 2020; Johanson and Vakkuri 2018; Koppenjan, Karré, and Termeer 2019; Vakkuri and Johanson 2020). We included 7 additional records and obtained a final sample of 405 manuscripts.

Step 3 | Eligibility

We read the title and abstract of each of the 405 records to identify the ones that were consistent with the research question and the inclusion criteria, being a focus on formal organizations (Billis and Rochester 2020) that meet at least one of the definitory items identified by Johanson and Vakkuri (2018). Book reviews were excluded. After this process, 123 records were identified to be consistent with the research questions and were selected for the next step of the analysis.

Step 4 | Inclusion

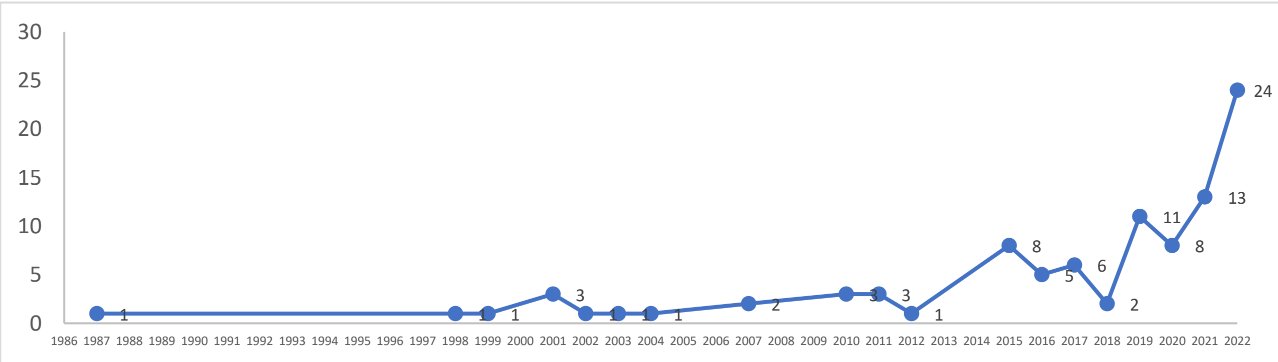
The sample of 123 records was subject to full text assessment with a focus on the descriptive elements and main contributions, so to grasp their core focus. In the end, 95 records were included in the analysis, as 28 articles did not meet our inclusion criteria and were thus ineligible for subsequent analysis. The main exclusion criterion in this step was an unfit definition of HO, as the organization(s) under scrutiny was not a distinctive one. The complete list of records included in the review is listed in Appendix 1, whereas those mentioned throughout the manuscript are starred in the References section. We synthesized the collected evidence to provide an updated picture of the recent literature on HOs in the public sector and thereby facilitate the identification of avenues for future research.

Results

Descriptive results

The 95 records included in the study were published between 1987 and 2022 (Figure 2.2).

Figure 2.2. Distribution of records per year of publishing



Notably, 85% of records were published after 2011, and nearly 50% of them between 2020 and 2022, confirming that HOs are currently gaining momentum in academic research. As to the type of publications, our sample consists of 87 journal articles, seven books and one book chapter. The 87 articles were published in 52 peer-reviewed international journals. For a complete list of the journals included, please refer to Appendix 2. The four outlets that published the most articles on the topic of HOs were *Accounting, Auditing* *and Accountability Journal* (9), *Public Administration* (7), *Journal of Public Budgeting, Accounting & Financial Management* (6), and *Qualitative Research in Accounting and Management* (4). The *International Journal of Public Sector Management*, *Public Management Review*, *Public Money & Management* and *Public Organization Review* published three articles each on the topic. This indicates that the core of research on HOs can be found in management and public management journals devoted to the interaction between accounting and the organizational environment, followed by more generic public administration and management journals.

The spectrum of HOs in the public sector

Almost half (38) of the records included in this review investigated HOs in the form of State-Owned Enterprises (28 records) and Municipally-Owned Corporations (10), which typically adopt a private-sector-inspired organizational structure (Grossi and Thomasson, 2015). These organizations are usually created ex novo or from the transformation of previous public agencies to pursue forms of quasi-privatization (Christensen and Laegreid, 2003) whilst maintaining the government's full or partial ownership.

Twenty records explored public service organizations (PSOs), which have been exposed to private sector-inspired practices (e.g. the introduction of performance management systems) and values (e.g. the focus on efficiency) in the wake of NPM reforms (Osborne 2006). Furthermore, a notable share of records (11) – including a review (Grossi et al. 2020) – elaborated on hybridity in Knowledge Intensive Public Organizations (KIPOs), such as universities and research and development centres, which experienced considerable exposure to the market and competition forces. Ten records investigated the hybridity of PPPs, focusing on partnerships that are formalized into independent novel organizations. As mentioned in the Introduction, given the contractual-based nature of most PPPs, the long-standing and well-established field of research on Public-Private Partnerships (see Wang et al. 2018 for a review) has developed separately from literature on HOs.

On a separate note, two records (Koppell 2001; Moe 2001) deep dive into a US-specific type of HO, namely Government-Sponsored Enterprises (GSEs), which are fully owned by private shareholders but have a government-appointed board, intended to set objectives related to the public interest (e.g., providing housing to the poorest).

Lastly, books and theoretical papers frequently (14) investigated HOs as distinctive organizations, encompassing all the above-mentioned cases to contribute to the development of studies on the combination of features from the private and public sectors.

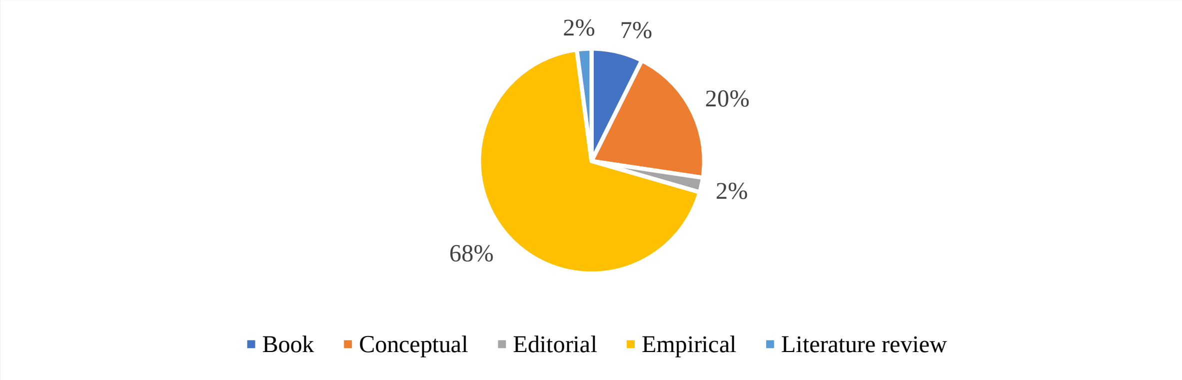
Furthermore, we located HOs under scrutiny against the criteria advanced by Johanson and Vakkuri (2018) to identify a public-private HO, which include the presence of at least one of the following: mixed ownership, goal incongruence, the multiplicity of funding arrangements, public and private forms of financial and social control. To do so, we inductively identified the criteria of hybridity in each manuscript from the authors' description of HOs under scrutiny. Please refer to Appendix 3 for the variety of combinations that can occur per each cluster of HOs. Interestingly, we found no single direction in the relationship between the HO considered and the hybridity criteria. For example, SOEs can feature goal incongruence and funding from different sources (e.g. tariffs and revenues from commercial activities) (10), as well as being hybrid only on one criterion, be it goal incongruence (2) or mixed funding (2). Furthermore, PSOs are defined as hybrid either when goal incongruence between traditional public values and NPM-oriented ones emerge (10 records), or when revenues are based on a combination of different sources of funding (6). PPPs can be enacted through different procurement models, spanning different levels of involvement of the private party (Matinheikki et al. 2021). PPPs that feature the highest integration between public and private parties (e.g. joint ventures) match all criteria of hybridity (6), whereas remainder cases (4) identify the contextual presence of all criteria but goal incongruence, as private and public parties are described as converging around similar objectives.

Last, records focusing on HOs as distinctive organizations related their subject of study to all criteria from Johanson and Vakkuri (ibidem).

Methods and empirical setting

Concerning the typology of the studies, the seven books combine theoretical chapters with empirical contributions. The overwhelming majority of the remaining records are empirical (68%, see Figure 2.3), followed by conceptual papers (20%), two literature reviews and two editorials. Interestingly, 32% of conceptual records were published between 2021 and 2022, suggesting that much of the theoretical grounding for the empirical work was previously referred to the different frameworks (see the paragraph dedicated to theoretical framework).

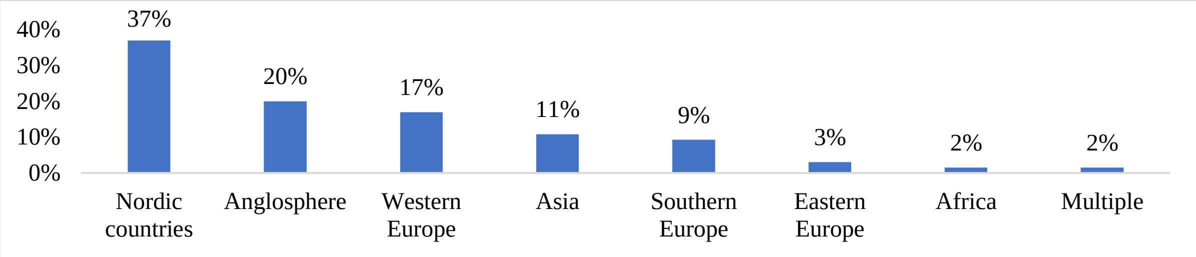
Figure 2.3. Distribution of records per typology of study. Books are excluded.



Of the 65 empirical studies, 47 (72%) adopted a qualitative epistemological stance, 15 used quantitative records, and 3 used a mixed methods approach. Notably, 38 out of 47 qualitative studies were based on case studies, either single (23) or multiple (15). The shortage of quantitative studies shows potential for more studies of this kind to reinforce and expand findings from qualitative research in the future.

Empirical studies were mainly conducted in Nordic countries (Denmark, Norway, Sweden, Finland) and the Anglosphere (Australia, UK, US, Canada), followed by Western Europe (France, Germany, Netherlands, Switzerland, Austria). The prevalence of studies from Nordic Countries is related to the extensive introduction of decentralization, contracting out and market reforms that these countries have adopted (Lapsley and Knutsson 2016), with the prominent example of Sweden (Thomasson 2020). Similarly, the Anglosphere is where NPM-driven policies were first conceptualized and promoted, resulting in a radical transformation of public service provision (Pollit, 2015). As for Western Europe, their welfare systems experienced an increasing hybridization, with actors other than the State delivering services (see Honing and Karsten 2007 for the Dutch example). The remainder records involved HOs operating in Asia (China, Malaysia, Sri Lanka, Indonesia, Vietnam), Southern Europe (Italy), Eastern Europe (Czech Republic), with only one study from Africa (Tanzania). Two studies (Koppell 2007; Ligorio, Caputo, and Vanturelli 2022) focused on multiple countries from different geographical areas (e.g. China and the US in the case of Koppell, ibidem).

Figure 2.4. Location of the empirical studies



Last, the range of public services that hybrid organizations deliver extends to multiple areas, ranging from education (13), healthcare (7), waste management (5), transportation (4), housing (4), welfare (3), multiple sectors (20) and other, less represented policy fields.

Theoretical background of studies included

We found theoretical convergence along different streams, as depicted in Table 2.2.

Table 2.2. Prevailing theoretical frameworks in records included in the sample

Prevailing theoretical framework	**Number of records**
Institutional logics (Thornton et al. 2012)	32
Literature on hybrid organizations (e.g. Billis, 2010; Battilana and Lee, 2014)	22
Agency theory (Eisenhardt, 1989)	12
Governance theory (e.g. Denis et al. 2015)	5
Transaction costs economics (Williamson, 1989)	3
Accountability (e.g. André, 2010)	3
Other theories (e.g. Sociology of Worth, Thévenot and Boltanski, 1991; Art of government following a disaster, Foucault, 1991; Publicness, Bozeman, 1987)	18
Total	**95**

The dominant theoretical framework (32) is institutional theory, and more specifically institutional logics (Thornton, Ocasio, and Lounsbury 2012). An institutional logic is defined as ‘a set of material practices and symbolic constructions constituting organizing principles which are available to organizations and individuals to elaborate’ (Friedland and Alford 1991, 248). Logics provide societal rationales that guide organizations and individuals (Battilana, Besharov, and Mitzinneck 2017). Typically, HOs combine at least two institutional logics: the market one, which fosters economic efficiency and profitability under the NPM paradigm; and the state logic, which is oriented towards pursuing compliance and legality under the bureaucratic paradigm (Thornton, Ocasio, and Lounsbury ibidem). The successful adaptation to the technical and social expectations required by each institutional logic ensures *institutional isomorphism* (Di Maggio and Powell 1983). Nonetheless, these logics bring about competing demands, which challenge both organizational and individuals' identity (Jay 2013). More precisely, organizations might claim they are adapting to competing demands when in fact they are not, *decoupling* practices from structure to preserve organizational efficiency (Meyer and Rowan 1977). Individuals can enact different coping mechanisms when confronted with multiple logics (Pache and Santos 2013a), spanning from full adherence to the set of values associated with different logics to defiance, when they deliberately oppose a given logic. The literature embracing an institutional logics perspective considered in this review builds on these works (e.g., Cappellaro, Tracey and Greenwood, 2020) and on their further voluminous theoretical development in organization theory to investigate HOs' adaptation to competing demands through management control systems, organizational structure and individual coping mechanisms, which will all be extensively described in the section devoted to the Analytical findings.

A second body of literature is rooted in studies devoted to hybrid organizations (22), including multiple contributions part of this review (e.g. Billis 2010; Johanson and Vakkuri 2018, Karré 2022). These manuscripts are typically grounded in the above-mentioned institutional theories of organizations, in public accounting (e.g. Grossi et al. 2020) or in governance theory, which explores 'shifts in governance systems at the supraorganizational and systemic levels' (Denis et al. 2015, 275). We decided to illustrate them separately as a large share of records in our sample explicitly refers to 'studies on hybrid organizations' as their referring theoretical framework, though it cannot per se be considered as a theoretical perspective. Together with records building on governance theory (5), this stance is more frequent in management studies, notably in those published in accounting-related journals, and it is devoted to exploring how organizations confronted with contradictory demands make sense of complexity.

Research on HOs is also influenced by the agency theory perspective (12), which focuses on the contractual relationship between principals (shareholders/owners) and agents (managers/employees). The premise of agency theory is that the separation between ownership and control can result in a conflict of interest between these parties, defined as an 'agency problem'. When the agency problem arises, there is a risk of moral hazard as agents pursue their own interests, which can diverge from the best interests of the principals (Eisenhardt 1989). To address this problem, agency theory suggests various mechanisms and practices, including effective monitoring and control mechanisms and individual incentives tied to goals that can align the interests of principals and agents. Consistently, records rooted in agency theory in this review focus on the agency problem arising between the public owner (principal) and the HO (agent) and on the means to confront such a problem. In some cases (3) this perspective is related to studies on accountability requests enacted by principals, which focus on the ‘process of judging an organizational action or result against a standard and then acting on that judgment’ (André 2010, 273).

Some records (3) embrace a transaction cost economics perspective, which analyses the costs associated with conducting economic transactions in a market to identify the most efficient governance structure (Williamson 1989). These scholars explore hybrids as arrangements that might efficiently solve the cost of business interactions concerning other service delivery options, namely in-house production or market services.

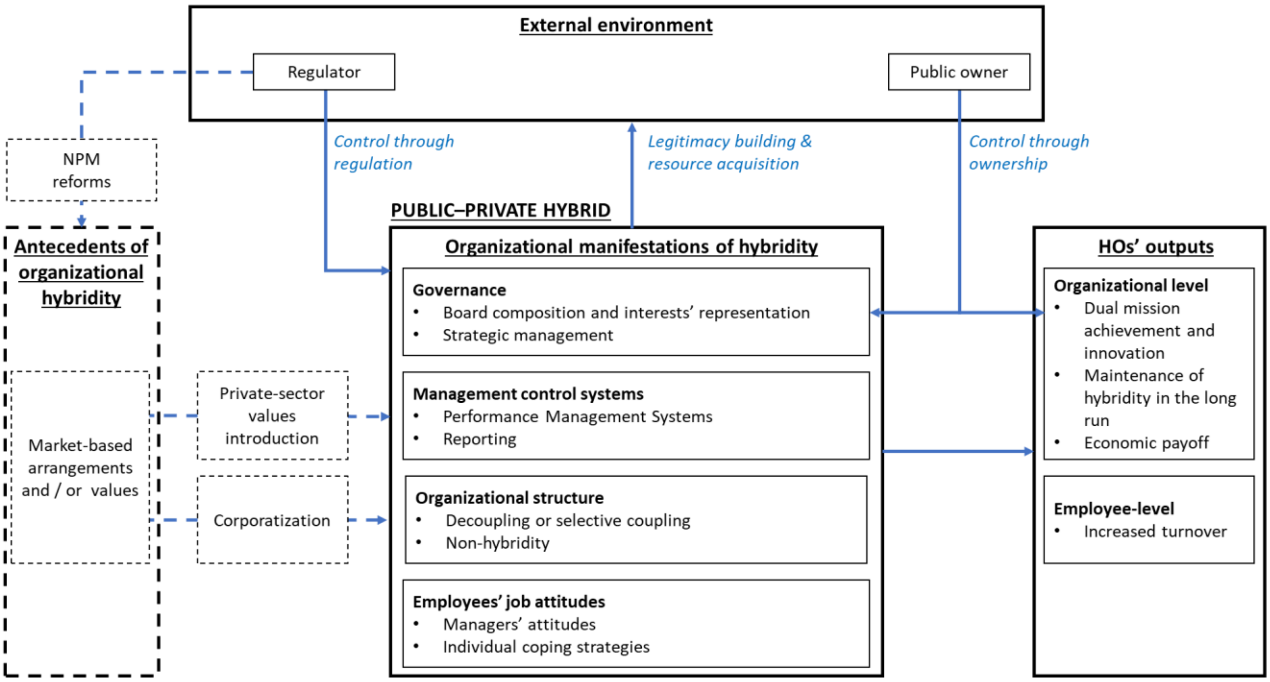
The remainder records advance different theoretical perspectives, yet the authors decided to keep them together since they were fragmented and not recurrent. As a final remark, Denis et al. (2015) called for research building on four theoretical perspectives to advance scholarly knowledge on hybridity in the public sector, namely governance theory, institutional theory, identity perspective and actor network theory (ANT), which studies networks as a means to bring together heterogeneous actors. Results from our review show that scholars in the field largely developed on the first three perspectives, whereas the call for ANT-inspired studies is still neglected.

As the reference theoretical framework deeply influenced scholars’ focus of analysis, we suggest going beyond theoretical boundaries to provide a comprehensive mapping over the state of the art of extant knowledge on HOs, bringing together evidence and conceptual works from different stances.

Analytical findings

We summarize existing research on hybrid organizations in the public sector in Figure 2.5, which illustrates the different levels at which HOs can be analysed: relationship with the environment, organizational manifestations of hybridity and results. While none of the studies focused exclusively on the origins of organizational hybridity, all records identified NPM-oriented reforms as the main driver of the introduction of market orientation in public organizations or for the corporatization of public services, so we chose to visually represent it in our framework through dotted lines.

Figure 2.5. Analytical framework of research on HOs



Our framework starts from the relationship between HOs and their external environment, which has a dynamic nature. HOs seek legitimacy and resources in the environment; whereas the latter plays a double role. On the one hand, the public as regulator enacts NPM-inspired policies which lead to the birth and rise of HOs through corporatization or the introduction of values inspired by the private sector. Moreover, the regulator enforces control over HOs to ensure democratic accountability. On the other hand, public bodies can also own HOs, exerting control in defining corporate governance schemes and in ex post evaluation of organizational outputs, to ensure interests' alignment. Focusing on the organizational manifestations of hybridity, the governance structure reflects the multiplicity of shareholders and of interests that HOs are subject to. In this respect, literature stresses the role of boards in compromising between the conflicting values these actors bring by, defining the strategic direction for the HO. Further, management control systems enable the institutionalization of hybridity through performance management systems and reporting activities; whereas the organizational structure reflects different levels of integration between dual missions in HO's organizational design. At the micro level we can observe managers' and employees' attitudes towards hybridity, with different degrees of acceptance. Last, organizational hybridity outputs can be observed at the organizational or employee level. The following paragraphs describe each section of our framework into detail. Considering the large number of records included in the review, we mention in the text those that were considered more explanatory in describing each cluster. See online appendix 1 for the complete list of records included per each cluster of our mapping.

External environment

The environment is a key source of resource acquisition, legitimacy and control for organizations. Consistently, studies in this cluster (21) focus on the dynamic relationship between the HO and its environment: legitimation dynamics (2), indirect control through regulation (10) and direct control through ownership (9).

Legitimacy building and resource acquisition

Because HOs do not follow the traditional public bureaucratic or private organizational forms, legitimacy and resource acquisition are more complex and HOs cope with this issue by dynamically working on their search for legitimacy (Matinheikki et al. 2021). In their work, Rosser et al. (2021) explained that in the construction phase, HOs work on pragmatic legitimacy; that is, they work to convey the benefits they generate to their external stakeholders, especially the resource-rich ones. Once pragmatic legitimacy is gained, HOs need to build moral and cognitive legitimacy to prosper. To do so, they should work on their organizational practices, including their recruitment and key performance indicators (KPIs), to become 'taken for granted' in their institutional environment.

Control through Regulation

Several studies investigate the role of regulation in HO dynamics, which is deemed necessary as HOs might become a threat to democracy (Moe 2001; Vining and Weimer 2017). The reasons are twofold and have been explored through conceptual papers (e.g André 2010), and empirical contributions (e.g. Freeman et al. 2019; Koppell 2003). First, HOs can become 'heavyweight' actors that are difficult to control and could influence regulators due to the higher resources they entail with respect to 'pure' private or public organizations (Koppell 2001), upon which they might leverage for the sake of their interest, possibly harming political and market accountability. Second, hybrids make it difficult to assess 'who' is accountable 'to whom' and 'for what' (Grossi and Thomasson 2015), as they break the traditional vertical relationship of accountability between governments and citizens. Regulation is defined as the key leverage to ensure interests' alignment between public bodies and HOs (Koppell 1999) and should be primarily devoted to assigning a clear and realistic mission (André ibidem) and setting performance goals that satisfy both the financial and public mission

(Koppell 2007). Such an approach can foster regulators' ability to compel the hybrid to produce positive externality or refrain from otherwise controversial business activities, which might lead to the abandonment of the pursuit of public-oriented goals (Koppell 2001) and harm organizational survival in the long run (Freeman et al. ibidem; Steier 1998).

Overall, this literature points to the positive consequences of regulation, yet asserting that regulation is not enough to ensure HO's control. The presence of active regulators might safeguard the environment from financial and cultural risks, with the former being related to the loss of public money caused by unfair competition from HOs and risky investments, and the latter being associated with a possible decline in the public sector ethos caused by marketization (Brandsen and Karré 2011). Other scholars (André ibidem) claim that regulation per se is not sufficient to ensure proper control, asserting that governments should also be concerned with the functioning of HOs at the process level, improving their missions and organizational designs, including adequately monitoring the results they achieve. Should governments be unable to identify unambiguous policy objectives and monitor HOs' ability to pursue them, then they should forego the choice of this organizational form (André ibidem).

Control through Ownership

Control can be exerted more directly through ownership. Nonetheless, when the public is involved in the HO's ownership, an agency problem arises. Consistently, scholars investigated strategies to reduce this problem, focusing on two corporate governance mechanisms that can protect the owner's interest: board appointment and accountability mechanisms.

First, owners should devote higher attention to board appointment, as research has found that current strategies can result in controversial outcomes. Owners frequently appoint elected politicians to HOs' boards (Bergh et al. 2019), raising an accountability issue as the principal is simultaneously the agent. As politicians are often unaware of the duplicity of their role (Bergh et al. ibidem) they are unable to reduce the agency problem. The ambiguity of the role of politics is recognized also by financial markets: research showed that the individual political connections of board members have a significant negative effect on the market capitalization of SOEs, contrary to what happens to 'pure' private firms, where this relationship is positive (Giosi and Caiffa 2021).

As concerns accountability mechanisms, the owner can reduce the agency problem by leveraging on ex-ante or ex-post accountability criteria. The former is typically formally defined in the HO annual mandate (Liechti and Finger 2019) that bind its activities to accountable results. Such an ex-ante activity can be based on different combinations of formal control criteria (Krause and Swiatczak 2020) on inputs, which concern predefined expenditure budgets; behaviors, related to prescribed processes and rules; outcomes, which refer to financial and non-financial performance dimensions. Nonetheless, formal controls are frequently combined with informal mechanisms, notably trust and off-records dialogues between the principal and the agent (Thomasson 2019), which play a decisive role in reducing the agency problem. Notably, research showed that higher trust is related to outcome-based control (Krause and Swiatczak ibidem), as trust fosters higher alignment on goals between the principal and the agent.

Ex-post evaluation should monitor and evaluate HOs' ability to pursue financial and non-financial results. Nonetheless, the research found a clear prioritization of financial indicators over socially-oriented ones (Alexius and Örnberg 2015; Grossi and Thomasson 2015): this can lead to a risk of mission drift (Ebrahim et al. 2014), which occurs when HOs give up on one of their mission in favour of the other, typically at the expenses of the public interest. Improving the quality of ex post evaluation requires empowering both the principal and the HOs' board over the multifaceted nature of HOs activities, to adapt accountability systems accordingly.

Organizational manifestations of hybridity

The core of research on public-private hybrid organizations is devoted to the phenomenology of organizational hybridity (54). In these studies, which include multiple handbooks (e.g. Billis 2010; Vakkuri and Johanson 2020a) and theoretical contributions (Karré 2022), HOs are studied as a new form of organizing, with the literature on organizational theory and public administration (PA) being merged frequently (Denis et al. 2015). The organizational manifestations of hybridity have been studied with respect to four different areas related to the management of HOs: governance (17), management control systems (20), organizational structures (5) and employees' job attitudes (12).

Governance

Governance refers to the structure of HO and the mechanisms of the strategic direction of the organization over time. Relatedly, the focus of the 17 studies included in this section relates to two themes: first, the features and scope of hybrid governance; second, strategic management as a leverage to balance different and often conflicting organizational features.

As to the former, HOs are recognized as a popular form of organizing in the NPM and post-NPM era (Christensen and Lægreid 2011; Johanson and Vakkuri 2018), though some scholars date HOs' roots much earlier in time (up to 1600s, Oppon 2021). Today, HOs are well-developed structures that play a key role in public service delivery (Karré 2022). In some cases, they can serve as a temporary mode of organizing between full public and full private ownership (Christensen and Grossi 2021): research documented both successful (Greve and Andersen 2001) and unsuccessful (Christensen 2015) experiences.

Surprisingly, we found few studies concerning strategic management as a leverage to reduce conflicting organizational features. Boards, which are supposed to function as steering bodies, should guide the HOs toward the pursuit of multiple and often conflicting objectives (Billis and Rochester 2020). Nonetheless, as their members represent multiple stakeholders (and interests), boards themselves can contribute to difficulties in dual goals achievement and in setting HOs' priorities, requiring mutual adjustment (Olsen, Solstad, and Torsteinsen 2017). Empirical research has found (Joldersma and Winter 2002) that with respect to public agencies, HOs are indeed more oriented towards satisfying multiple pressures, including market competition arising from NPM. Yet, further research is needed to explore if and how strategic management differs with respect to other organizational forms and how boards can strategically direct HOs in pursuing dual goals.

Management control systems

Management control systems (MCS) are a set of formal and informal processes, mechanisms, and structures implemented within an organization to support strategic planning and to guide and monitor the achievement of organizational objectives (Ferreira and Otley 2009). Considering their centrality in supporting goal accomplishment, they gathered notable scholarly attention and were frequently framed as 'material practices' that can support HOs in balancing competing demands by institutional logics.

Indeed, MCS can serve as a source of compromise between actors with divergent values (Morinière and Georgescu 2022) and for crafting new solutions that combine different logics (Sargiacomo and Walker 2022). Nonetheless, research often found decoupling strategies in MCS (Frei, Greiling, and Schmidthuber 2022; Conrath-Hargreaves and Wustemann 2019; Mamat, Ahmad, and Said 2021), with elements from competing logics being separated. Such strategy might put hybridity at risk, shall HOs be unable to ultimately combine demands over time. A pivotal role in integrating logics within MCS is recognized to 'institutional entrepreneurs', who can create consensus within the organization to integrate conflicting demands in practices (Gooneratne and Hoque 2016).

Besides the role that MCS can exert in logics integration, literature in this cluster further developed around two of its core components: performance measurement systems (PMS) and reporting.

Performance measurement is recognized among the major challenges for managing HOs, since these organizations are required to measure and be accountable for their financial results and their ability to achieve a public mission (Grossi et al. 2017), which might lead to ambiguities in interpreting performance results (Vakkuri and Johanson 2020b). Consistently, the evaluation of an HO performance should account for the so-called '4-Es': efficiency, effectiveness, economy, and (social) equity (Vakkuri 2022). A recent review of performance measurement in HOs (De Waele et al. 2021) found no one-fits-all approach for HOs and showed how extant research is largely focused on efficiency, calling for further studies on the multi-dimensional nature of HOs' performance. Furthermore, the authors of the review found two additional cross-cutting dimensions for HOs' performance evaluation, namely innovation – the extent HOs are open, accessible and responsive – and compliance – which captures rules, procedures and codes of conduct. Besides the areas of performance that should be considered in a PMS, a growing body of literature (Vakkuri ibidem) is converging around suggesting the development of PMS that can account for the peculiar value creation mechanisms in HOs (Vakkuri and Johanson 2020a): mixing, compromising and legitimizing. The former refers to the development of PMS which can combine the multiple interests represented in HOs through dedicated measures (e.g. private and public shareholders in a SOE). Compromising reflects the inter- and intra-organizational search for balance among different logics, e.g. through performance dialogues. Last, legitimization refers to PMS structure and measures that might support or hinder a given logic. Nonetheless, such theoretical threefold mechanism still requires empirical investigation to be confirmed.

Finally, fewer studies investigated the role of reporting in accounting for the multiplicity of performance dimensions in HOs, finding that economic results are still the prevailing ones (Ligorio, Caputo, and Venturelli 2022; Argento et al. 2019). Perhaps counter-intuitively, findings from the Swedish context (Argento et al. ibidem) show that sustainability disclosure is lower among SOEs with larger government share. Authors interpret this finding by claiming that private owners might support higher disclosure, because it is more legitimate in their reference to institutional logic. Plus, the larger the government size, the larger the constituency: it might be more difficult to find common ground on dimensions to disclose.

Organizational structure

In this cluster, scholars focused on organizational structure as a mean to cope with conflicting institutional logics, which is the dominant theoretical stance for these studies. As described in the section devoted to the theoretical framework, the organizational structure has long been investigated to detect strategies of decoupling, which occurs when organizations expose a compelling structure to meet the institutional environment expectations, but consciously remain consistent with their actual action to increase organizational effectiveness.

The literature identified different organizational responses to conflicting institutional pressures. First, multiple HOs engage in decoupling (Berge and Torsteinsen 2022; Mo 2022), yet the latter has led to negative consequences since coalitions of organizational members representing different logics experienced conflict to support the prevalence of their referring institutional logic. Moreover, HOs can engage in 'selective coupling' (Pache and Santos 2013b) of elements of each logic to ensure legitimacy to external stakeholders without engaging in internal, costly negotiations (Mzenzi and Gaspar 2022). Other studies show how organizational responses to conflicting institutional demands may vary to the point of hybridization being ignored completely (Fossestøl et al. 2015), leading to a situation defined as 'non-hybridity', which occurs when the market-driven logic is ignored.

Last, we found one study devoted to the relationship between responses to institutional complexity occurring at the organizational and individual level (Pekkola et al. 2022). This work finds interconnectedness and disconnectedness of hybridity occurring at different levels, yet evidence shows no causation nor correlation between macro and micro responses, calling for further research.

Employees' job attitude

Records synthetized in this cluster investigate employees' job attitude, which refer to 'evaluations of one's job that express one's feelings toward, beliefs about, and attachment to one's job' (Judge and Kammeyer-Mueller 2012, 344). In particular, studies focus on (i) managers' attitudes and (ii) individuals' identity challenges and coping strategies when confronted with multiple sets of core values (mostly with an institutional logics lens).

As for HOs' managers, the research found distinctive attitudes with respect to those working in 'pure' public or private organizations. These features shall be closely monitored in recruitment policies, as managers' attitudes might enhance or reduce the HOs' ability to pursue dual goals (Krogh and Thygesen 2022) and can foster organizational resilience (Lisdiono et al. 2022). More precisely, empirical research showed that managers perceive higher managerial autonomy than those working in traditional public organizations, but lower than private companies (Jacobsen 2022). Moreover, they present lower levels of pro-social motivation with respect to their counterparts in 'pure' public organizations (Jacobsen 2021). Hence, they are more prone to focus on economic results, which might de-prioritize public-oriented objectives (also found in Karré 2020b).

Concerning individuals' attitudes towards competing demands, literature identified different postures. These different responses relate to the contradiction posed by logics to individuals (Pilonato and Monfardini 2022), which can result in identity challenges (see Giacomelli 2020). Professionals in HOs typically experience such identity challenges when navigating between their professional roles and the new NPM-oriented inputs and requests introduced by the market logic, which demands that the meaning of 'good work' is challenged (Schrøder, Cederberg, and Hauge 2022).

Coping strategies are intertwined with personal attitudes. Literature found that individuals with previous experience in the private sector can more easily normalize commercially oriented activities (Gebreiter and Hidayah 2019; Hodgson et al. 2022), through coping strategies based on compliance - that is, adherence to the set of values and practices associated with all logics; or compartmentalization – as individuals seek to comply to all completed logics but deliberately keeping them separate to secure legitimacy. Research also found cases of 'partial hybridization' (Nguyen and Hiebl 2021), which occurs when individuals display different levels of hybridization, that relates to the level of exposure their organizational unit had to dual logics. In other words, individuals working in the same organization might adopt different coping strategies in relation to the degree of introduction of competing logics in the practices of their reference organizational unit.

HOs results

The last section of our conceptual mapping focuses on results (20), which relate to achievements that HOs attain through their operations, strategies and activities. Results can be further distinguished between those achieved at the organizational (18 records) and the individual level (2).

Organizational results

Literature conceptualized three typologies of results at the organizational level: the accomplishment of multiple goals, especially economic and public-oriented ones, and the capacity to foster innovation in public services; the ability to (un)successfully remain hybrid in the long term; and the economic return of HOs in service delivery (mostly through a transaction cost economics lens).

As for the first typology, the focus of these studies is on HOs' ability to keep up with the multiplicity of goals they shall pursue. This multi-faceted nature of outcomes is assessed through the evaluation of both economic and public-oriented results. The inability to achieve dual missions can result in a mission drift (Ebrahim et al. ibidem) in favour of the economic-oriented one. The empirical evidence is fragmented and related to very diverse HOs and contexts, which limits the generalizability of results. As an example, in the US housing sector, HOs can leverage their possibility to provide housing on the private market to support affordable housing production, which would otherwise not be possible in a setting of constrained resources (Kleit, Airgood-Obrycki, and Yerena 2019). Nonetheless, this flexibility comes with the risk of shifting away from the conventional targets of public services, namely the most vulnerable (Nguyen, Rohe, and Cowan 2012). An empirical investigation of the results achieved by the corporatization of a large Malaysian hospital shows successful financials, but a lack of accountability makes it difficult to understand whether it also achieved the equity objectives it was assigned to (Virk et al. 2020). Last, Bergh, Erlingsson and Wittberg (2021) have compared Swedish municipalities owning HOs, intending to assess the relationship between the presence of HOs and citizens satisfaction. Findings report that cities with a higher number of HOs also have higher taxes, higher perception of corruption and lower levels of citizen satisfaction with the quality of services. Building on these results, the authors claim that the creation of HOs might relate to the local government's willingness to leverage the HOs' peculiar and blurry system of regulation to avoid public scrutiny, rather than to provide better services.

Among hybrid results, some studies (5) focused on innovation capability. Overall, studies find a positive relationship between hybridity and innovation, as different institutional logics can be stimulating for innovative work and collaboration (Sønderskov, Rønning, and Magnussen 2022). The reasons are rooted in the long-term thinking introduced by the private logic, which contrasts governments' short thinking (Plaček et al. 2021) and through a lower government and political pressure (Boukamel, Emery, and Kouadio, 2021; Emmert and Crow 1987; Tritto and Lit Yew 2021) with respect to public organizations.

In relation to the ability to remain hybrid in the long term, Cappellaro, Tracey, and Greenwood (2020) deep dive into the mechanisms that might harm the successful integration of a new institutional logic, ultimately leading to its rejection. Building on a case study of a mature Italian hospital, the authors show how after a first acceptance of the market logic among professionals, over time the incumbents' perception of being challenged in their values and core practices led to the logic rejection.

The third sub-group of studies investigated the payoff of relying on HOs for service delivery with respect to other forms of organizing. The literature stresses the importance of ex-ante evaluations of the public owner's governance choices on new HOs formation, as their failure can be costly (Opara and Rouse 2019). In this respect, Vining and Weimer (2016, 2017, 2020) adopt an agency theory perspective and claim that listed HOs with mixed ownership are the ones that lower the risk of economic loss, since shares can be ultimately sold to private parties. We found converging evidence in the field of municipally owned companies. Results from Norway and the Czech Republic showed that contracting out to HOs generates cost efficiency for municipalities with respect to 'pure' private companies and in-house production (Soukopová and Klimovský 2016; Johnsen 2021).

Employees' results

With respect to individual-level results, two records explored the impact of hybridity on public servants' retention. Despite their paucity, these studies provide insightful findings that can inform recruitment and human resources policies.

In the section devoted to 'Employees' job attitudes' we described how individuals with a private-sector background seem to navigate more easily in competing logics. The same does not hold for public servants. The exposure to market orientation is found to increase turnover among long-term public servants of public organizations undergoing corporatization (Karré 2020b; Krøtel and Villadsen 2016). The integrated interpretation of results from these sections provides interesting implications for recruitment policies. On the one hand, individuals with public sector backgrounds could find it hard to adhere to competing logics, ultimately choosing to quit their jobs. On the other hand, HOs are recruiting managers from the private sector with lower PSM, which might devote less attention to public-oriented goals. The point of equilibrium between different profiles to be hired to ensure dual goals' achievement is far from being reached, requiring more scholarly attention. Additionally, more research is needed to investigate the leverages that can limit public-servants turnover from HO and foster motivation.

Table 2.3 summarizes the main focus of each research stream included in the three sections of our framework, together with the key publications that illustrate the core elements of the debate in every stream.

Table 2.3. Main features of each section of the analytical framework, per research stream.

Section	Research stream	Main focus	Key publications
External environment	Legitimacy building and resource acquisition	Illustrate HOs' strive for legitimacy, being an 'unconventional' organizational form.	- Matinheikki et al. 2021 - Rosser et al. 2021
	Control through regulation	Preserve democratic accountability by clarifying 'who' is accountable to 'whom' and 'for what', mainly through regulation.	- André 2010 - Grossi and Thomasson 2015 - Koppell 2003
	Control through ownership	Reduce the agency problem between the public shareholder (principal) and the HO (agent), mainly through corporate governance.	- Alexius and Örnberg 2015 - Bergh et al. 2019
Organizational manifestation of hybridity	Governance	Position HOs in modern public service delivery.	- Johanson and Vakkuri 2018 - Karré 2022

		Explore the role of strategic management in reducing conflicting organizational features.	- Billis and Rochester 2020 - Olsen, Solstad, and Torsteinsen 2017
	Management control systems (MCS)	Investigate the role of MCS in institutionalising hybridity and in reducing value crashes.	- Conrath-Hargreaves and Wustemann 2019 - Morinière and Georgescu 2022
		Identify adequate measurement schemes to capture HOs' multi-dimensional nature.	- De Waele et al. 2021 - Grossi et al. 2017
	Organizational structure	Analyse HOs' organizational design as a leverage to reduce value crash.	- Berge and Torsteinsen 2022 - Fossestøl et al. 2015
	Employees' job attitude	Detect individual reactions (managers and employees) towards organizational hybridity.	- Jacobsen 2021 - Pilonato and Monfardini 2022
HOs outcomes	Organizational outcomes	Explore HOs' accomplishment of dual goals and their role in fostering innovation in public services.	- Bergh, Erlingsson and Wittberg (2021) - Kleit, Airgood-Obrycki, and Yerena 2019 - Sønderskov, Rønning, and Magnussen 2022
		Investigate HOs' ability to 'stay hybrid' in the medium-long term.	- Cappellaro, Tracey, and Greenwood 2020
		Assess HOs' economic convenience with respect to other forms of delivery.	- Johnsen 2021 - Vining and Weimer 2016
	Employees' outcomes	Analyse the impact of organizational hybridity on public servants' retention.	- Karré 2020b - Krøtel and Villadsen 2016

Discussion and future directions

Our analysis illustrates sustained and widespread growth in research on the topic of hybrid organizations in the public sector. Contributions developed in management & accounting, public management and administration. Factors contributing to the growth of academic interest in the topic appear related to the implications of NPM-inspired reforms, which deeply influenced the functioning of public organizations and public service delivery, influencing the research agenda.

The literature reviewed in this study focused on different subjects, which we present in our analytical framework. First, the relationship between HOs and their environment. Second, the organizational manifestations of hybridity, that involves four areas: governance, management control systems, organizational structure and employees' job attitudes. Last, outcomes of hybridity at the organizational and individual levels.

Our analysis showed how the research subject is largely influenced by the theoretical perspective adopted by authors. Despite the call from Denis et al. (2015) to bring together public management, public administration and organization studies to advance knowledge on HOs, this invitation remains largely unanswered.

Our results illustrate some converging evidence in HOs studies. For example, regulation is considered an effective instrument to ensure interest alignment between the public owner or regulator and HOs. On the other hand, the heterogeneity in results related to HOs' outcomes at the organizational level suggests that the benefits of these forms are less clear-cut.

Factors that contribute to some of the variation in findings across studies are methods of analysis, the organizations under scrutiny and the context for analysis. The overwhelming majority of records included in this review rely on case studies, which provide crucial evidence to explore relatively new phenomena (Yin 1994). Nonetheless, our review shows that HOs are now a consolidated stream of research that develops across different disciplines. To advance knowledge on HOs and overcome heterogeneity in results that might be related to contextual factors, the field would benefit from studies that can gauge external validity. External validity can be pursued by working on two areas. First, a wider assortment of methods would add a desirable dimension of analytical depth to develop this field of research. To this end, quantitative studies based on observational data could fruitfully clarify the contribution of HOs in the public sector. Relatedly, the replication of extant quantitative studies in different contexts and countries could reinforce and supports results on the topic (e.g. on managers' motivational profiles, Jacobsen 2022). Second and related, empirical research developed around different organizations and policy domains. For example, we found studies dealing with organizational outcome spanned across housing associations in the US (Kleit, Airgood-Obrycki, and Yerena 2019), a Malaysian hospital (Nguyen, Rohe, and Cowan 2012) and Swedish SOEs (Bergh, Erlingsson, and Wittberg 2019). As these organizations present different organizational features and operate in profoundly diverse administrative contexts, it is important to account for the research context to elaborate on the generalizability of results across other HOs.

Moreover, our review shows important room for research on currently overlooked topics. First, records in this study largely neglect the perspective of citizens/users. This finding is surprising, as public management literature stresses the pivotal role of citizens' in the design and delivery of services in the public service ecosystem (Osborne et al. 2022). Hence, we encourage research on citizens'/users' involvement in HO processes, such as co-production, service design, and, ultimately, satisfaction. Second, as a large share of studies builds on institutional theory, we encourage further explanation of the mechanism of legitimacy building between the HO and its environment. To this end, scholars could fruitfully explore the role of politics in boards to foster or harm legitimacy building, bridging multiple theoretical perspectives presented in this manuscript. Third, we call for the adoption of a dynamic process view to explore the evolving dynamics of HOs and investigate whether and how hybridity changes in different phases of organizational life. Fourth, we encourage future studies on the relationship between HOs outcomes and the external environment actions, to investigate whether and how performance results actually inform both the public regulator and shareholders' interventions towards HOs.

Lastly, we assert that studies on HOs could nurture other streams of research. Notably, corporatization is attracting relevant contributions (see the dedicated Symposia in Public Administration, 2022) and relates to a 'legally separate corporate entity' created to deliver public services which are 'usually made subject to company law' (Andrews, Clifton, and Ferry 2022). Corporatized companies can indeed be considered as HOs, yet not vice versa, as HOs embrace a wider spectrum of organizations (e.g. public agencies experiencing conflicting goals or mixed funding, as KIPOs, see Grossi et al. 2020). Nonetheless, these fields could benefit from mutual learning. For example, research on corporatization largely investigated the drivers and antecedents of corporatization (Andrews, Clifton, and Ferry ibidem), which is one of the missing pieces in our analytical framework. Similarly, HOs can provide insightful evidence on the relationship between political control and the management of corporatized services (e.g. Christensen and Grossi 2021), which is currently underdeveloped in the literature on corporatization. Similarly, studies on HOs could nurture the stream on the challenges for the institutionalization of PPPs in the environment, which has recently been appointed as a major research gap (Wang et al. 2018). Records dealing with PPPs that do not include the creation of novel organizations could provide insightful guidance on multi-dimensional performance measurement systems for HOs, which as we show requires further development.

We are confident that this review can facilitate mutual learning between studies, to avoid the development of research silos between profoundly related topics.

Conclusion

HOs have been under intense scrutiny across different disciplines, including management and accounting, public management and public administration. We advance knowledge in the field by organizing studies from these disciplines in an analytical framework based on a systematic literature review of 95 academic records, following the PRISMA approach. Our review presents some limitations. The choice to exclude keywords referring to corporatization reduced our ability to fully capture hybridity in the public sector. Nonetheless, as HOs are today distinctive organizations with a dedicated body of literature, we deemed it necessary, to focus on these organizations to support further conceptual clarity between different constructs. As today HOs are pivotal actors in the public sector, we are confident that this review will inspire future research on the role and contributions of these organizations in generating value for society.

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List of Appendix

Appendix 1. Records included in the systematic literature review ordered per cluster of the analytical framework, following the order presented in the text.

Please note that references in each cluster are presented in alphabetical order.

Record n.	Reference	Section	Cluster of the analytical framework
1	Matinheikki, Juri, Nader Naderpajouh, Guillermo Aranda-Mena, Sajani Jayasuriya, and Pauline Teo. 2021. "Befriending aliens: institutional complexity and organizational responses in infrastructure public–private partnerships." *Project Management Journal* 52(5): 453-470. doi: 10. 1177/ 8756 9728 2110 24385.	Legitimacy building and resource acquisition	External environment
2	Rosser, Christian, Sabrina A. Ilgenstein, and Fritz Sager. 2022. "The Iterative Process of Legitimacy-Building in Hybrid Organizations." *Administration & Society* 54(6): 1117-1147. doi: 10.1177/00953997211055102.	Legitimacy building and resource acquisition	External environment
3	Ahmed, Shafiul A., and Mansoor Ali. 2004. "Partnerships for solid waste management in developing countries: linking theories to realities." *Habitat international* 28(3): 467-479. doi: /10.1016/S0197-3975(03)00044-4.	Control through regulation	External environment
4	André, Rae. 2010. "Assessing the accountability of government-sponsored enterprises and quangos." *Journal of Business Ethics* 97, 271-289. doi: 10.1007/s10551-010-0509-y.	Control through regulation	External environment
5	Freeman, Toby, Matthew Fisher, Frances Baum, and Sharon Friel. 2019. "Healthy infrastructure: Australian National Broadband Network policy implementation and its importance to health equity." *Information, Communication & Society* 22(10): 1414-1431. doi: 10.1080/1369118X.2018.1434555.	Control through regulation	External environment
6	Koppell, Jonathan G.S. 1999. "The challenge of administration by regulation: preliminary findings regarding the US government's venture capital funds." *Journal of Public Administration Research and Theory* 9(4): 641-666. doi: 10.1093/oxfordjournals.jpart.a024426.	Control through regulation	External environment

7	Koppell, Jonathan G.S. 2001. "Hybrid organizations and the alignment of interests: The case of Fannie Mae and Freddie Mac." *Public Administration Review* 61(4): 468-482. doi: 10.1111/0033-3352.00050.	Control through regulation	External environment
8	Koppell, Jonathan G.S. 2003. "The politics of quasi-government: Hybrid organizations and the dynamics of bureaucratic control." Cambridge University Press.	Control through regulation	External environment
9	Koppell, Jonathan G.S. 2007. "Political control for China's state-owned enterprises: lessons from America's experience with hybrid organizations." *Governance* 20(2): 255-278. doi: 10.1111/j.1468-0491.2007.00356.x.	Control through regulation	External environment
10	Moe, Ronald C. 2001. "The emerging federal quasi government: Issues of management and accountability." Public Administration Review 61(3): 290-312. doi: 10.1111/0033-3352.00031.	Control through regulation	External environment
11	Steier, Lloyd. 1998. "Confounding market and hierarchy in venture capital governance: The Canadian immigrant investor program." *Journal of Management Studies* 35(4): 511-535. doi: 10.1111/1467-6486.00107.	Control through regulation	External environment
12	Vining, Aidan, and David Weimer. 2017. "Debate: Adam Smith was skeptical of hybrids—should we be less so?." *Public Money & Management* 37(6): 387-388. doi: 10.1080/09540962.2017.1344008.	Control through regulation	External environment
13	Alexius, Susanna, and Jenny C. Örnberg. 2015. "Mission (s) impossible? Configuring values in the governance of state-owned enterprises." International Journal of Public Sector Management 28(4/5). doi:10.1108/IJPSM-08-2015-0151.	Control through ownership	External environment
14	Bergh, Andreas, Gissur Erlingsson, Anders Gustafsson, and Emanuel Wittberg. 2019. "Municipally owned enterprises as danger zones for corruption? How politicians having feet in two camps may undermine conditions for accountability." *Public Integrity* 21(3): 320-352. doi: 10.1080/10999922.2018.1522182.	Control through ownership	External environment
15	Christensen, Lene T., and Giuseppe Grossi. 2021. "The gradual corporatization of transport infrastructure: The	Control through ownership	External environment

	Danish case." *Public Administration:* 1-21. doi: 10.1111/padm.12823.		
16	Giosi, Alessandro, and Marco Caiffa. 2021. Political connections, media impact and state-owned enterprises: an empirical analysis on corporate financial performance. Journal of Public Budgeting, Accounting & Financial Management, 33 (3), pp. 261-288. doi: 10.1108/JPBAFM-12-2019-0188.	Control through ownership	External environment
17	Grossi, Giuseppe, and Anna Thomasson. 2015. "Bridging the accountability gap in hybrid organizations: the case of Copenhagen Malmö Port." *International Review of Administrative Sciences* 81(3): 604-620. doi: 10.1177/0020852314548151.	Control through ownership	External environment
18	Krause, Tobias A., and Martyna D. Swiatczak. 2020. "In control we trust!? Exploring formal control configurations for municipally owned corporations." *Journal of Public Budgeting, Accounting & Financial Management* 33(3): 314-342. doi: 10.1108/JPBAFM-10-2019-0160.	Control through ownership	External environment
19	Liechti, Fabian, and Matthias Finger. 2019. "Strategic Objectives For State-Owned Enterprises As A Means To Mitigate Political Interference: An Empirical Analysis Of Two Swiss State-Owned Enterprises." *Annals of Public and Cooperative Economics* 90(3): 513-534. doi: 10.1111/apce.12227.	Control through ownership	External environment
20	Oppon, Akosua-Rose. 2021. "To what Extent did the Private Hybridity of The East India Company Result in Lack of Accountability?." In *Privatisation of Migration Control: Power without Accountability?* (Vol. 86, pp. 77-90). Emerald Publishing Limited.	Control through ownership	External environment
21	Rahm, Henrik, and Åsa Thelander. 2021. "A New Narrative about Sustainability or a Sustainable Narrative? Legitimation Practices in Swedish Consolidated Government Accounts before and after Agenda 2030. Fachsprache-Journal of Professional and Scientific Communication" 43(1+ 2): 2-21.	Control through ownership	External environment

22	Alexius, Susanna, and Staffan Furusten. 2019. "Managing hybrid organizations: Governance, Professionalism and Regulation." Palgrave Macmillan, Cham.	Governance	Organizational manifestation of hybridity
23	Billis, Denis. (ed.). 2010. "Hybrid organizations and the third sector: challenges for practice, theory and policy." Basingstoke, Hampshire, UK: Palgrave Macmillan.	Governance	Organizational manifestation of hybridity
24	Billis, Denis, and Colin Rochester. (Eds.). 2020. "Handbook on hybrid organisations." Cheltenham: Edward Elgar Publishing.	Governance	Organizational manifestation of hybridity
25	Chen, Kang, and Alex Y. Lo. 2021. "Local climate change governance in China: an analysis of social network and cross-sector collaboration in capacity development." *Journal of Environmental Policy & Planning* 23(1): 48-65. 10.1080/1523908X.2020.1798748.	Governance	Organizational manifestation of hybridity
26	Christensen, Lene T. 2015. "The return of the hierarchy: SOEs in marketisation." *International Journal of Public Sector Management* 28(4/5): 307-321. doi: 10.1108/IJPSM-04-2015-0084.	Governance	Organizational manifestation of hybridity
27	Christensen, Tom, and Per Lægreid. 2011. "Complexity and hybrid public administration—theoretical and empirical challenges." *Public organization review* 11: 407-423. doi: 10.1007/s11115-010-0141-4.	Governance	Organizational manifestation of hybridity
28	Denis, Jean-Louis, Ewan Ferlie, and Nicolette Van Gestel. 2015. "Understanding hybridity in public organizations." Public Administration 93(2): 273-289. doi: 10.1111/padm.12175.	Governance	Organizational manifestation of hybridity
29	Fowler, James. 2022. "Historical Institutionalism, Hybridity and Institutional Logics in Public Transport History." *The Journal of Transport History* 43(2): 296-311. doi: 10.1177/00225266211070944.	Governance	Organizational manifestation of hybridity
30	Greve, Carsten, and Kim V. Andersen. 2001. "Management of telecommunications service provision: an analysis of the Tele Danmark company 1990–8." *Public Management Review* 3(1): 35-52. doi: 10.1080/14616670010009441.	Governance	Organizational manifestation of hybridity

31	Johanson, Jan-Erik, and Jarmo Vakkuri. 2018. "Governing hybrid organisations: Exploring diversity of institutional life." Routledge.	Governance	Organizational manifestation of hybridity
32	Joldersma, Cisca, and Vijco Winter. 2002. "Strategic management in hybrid organizations." *Public Management Review* 4(1): 83-99. doi: 10.1080/14616670110101708.	Governance	Organizational manifestation of hybridity
33	Karré, Philip M. 2022. "The Thumbprint of a Hybrid Organization—A Multidimensional Model for Analysing Public/Private Hybrid Organizations." *Public Organization Review*, 1-15. doi: 10.1007/s11115-021-00598-2.	Governance	Organizational manifestation of hybridity
34	Koppenjan, Jopp, Philip M. Karré, and Katrien Termeer. 2019. S*mart Hybridity. Potentials and Challenges of New Governance Arrangements*. Eleven international publishing.	Governance	Organizational manifestation of hybridity
35	Low, Christopher. 2015. "The role of governmental decision makers in hybridization: a case study of a social enterprise spin-off in the UK health sector." *International Studies of Management & Organization* 45(3): 226-240.	Governance	Organizational manifestation of hybridity
36	Olsen, Trude H., Elsa Solstad, and Harald Torsteinsen. 2017. "The meaning of institutional logics for performance assessment in boards of municipal companies." *Public Money & Management* 37(6): 393-400. doi: 10.1080/09540962.2017.1344015.	Governance	Organizational manifestation of hybridity
37	Seibel, Wolfgang. 2015. "Studying hybrids: Sectors and mechanisms." *Organization Studies* 36(6): 697-712. doi: 10.1177/0170840615580005.	Governance	Organizational manifestation of hybridity
38	Stafford, Anne, and Pamela Stapleton. 2022. "The impact of hybridity on PPP governance and related accountability mechanisms: the case of UK education PPPs." *Accounting, Auditing & Accountability Journal* 35(3): 950-980. doi: 10.1108/AAAJ-12-2019-4324.	Governance	Organizational manifestation of hybridity
39	Argento, Daniela, Giuseppe Grossi, Kamilla Persson, and Theres Vingren. 2019. "Sustainability disclosures of hybrid organizations: Swedish state-owned enterprises." *Meditari Accountancy Research* 27(4): 505-533. doi: 10.1108/MEDAR-07-2018-0362.	Management Control Systems	Organizational manifestation of hybridity

40	Caperchione, Eugenio, Istemi Demirag, and Giuseppe Grossi. 2017. "Public sector reforms and public private partnerships: Overview and research agenda." *Accounting Forum* 41(1): 1-7. http://dx.doi.org/10.1016/j.accfor.2017.01.003.	Management Control Systems	Organizational manifestation of hybridity
41	Conrath-Hargreaves, Annemarie, and Sonja Wüstemann. 2019. "Managing multiple institutional logics and the use of accounting: Insights from a German higher education institution." *Abacus* 55(3): 483-510. doi: 10.1111/abac.12164.	Management Control Systems	Organizational manifestation of hybridity
42	Conrath-Hargreaves, Annemarie, and Sonja Wüstemann. 2019. "Multiple institutional logics and their impact on accounting in higher education: the case of a German foundation university." *Accounting, Auditing & Accountability Journal* 32(3): 782-810. doi: 10.1108/AAAJ-08-2017-3095.	Management Control Systems	Organizational manifestation of hybridity
43	De Waele, Lode, Tobias Polzer, Arjen Van Witteloostuijn, and Liselore Berghman. 2021. "“A little bit of everything?” Conceptualising performance measurement in hybrid public sector organisations through a literature review." *Journal of Public Budgeting, Accounting & Financial Management* 33(3): 343-363. doi: DOI 10.1108/JPBAFM-05-2020-0075.	Management Control Systems	Organizational manifestation of hybridity
44	Frei, Judith, Dorothea Greiling, and Judith Schmidthuber. 2022. "Reconciling field-level logics and management control practices in research management at Austrian public universities." *Qualitative Research in Accounting & Management*, (ahead-of-print). Doi: 10.1108/QRAM-10-2020-0167.	Management Control Systems	Organizational manifestation of hybridity
45	Gooneratne, Tharusha N., and Zahirul Hoque. 2016. "Institutions, agency and the institutionalization of budgetary control in a hybrid state-owned entity." *Critical perspectives on accounting*, 36: 58-70. doi: 0.1016/j.cpa.2015.12.003.	Management Control Systems	Organizational manifestation of hybridity
46	Grossi, Giuseppe, Christoph Reichard, Anna Thomasson, and Jarmo Vakkuri. 2017. “Editorial. Theme: Performance Measurement of Hybrid Organizations - Emerging Issues and Future Research Perspectives.” Public Money &	Management Control Systems	Organizational manifestation of hybridity

	Management 37(6): 379-386. doi: 10.1080/09540962.2017.1344007.		
47	Grossi, Giuseppe, Kirsi-Mari Kallio, Massimo Sargiacomo, and Matti Skoog. 2020. "Accounting, performance management systems and accountability changes in knowledge-intensive public organizations: a literature review and research agenda." *Accounting, Auditing & Accountability Journal* 33(1): 256-280. DOI 10.1108/AAAJ-02-2019-3869.	Management Control Systems	Organizational manifestation of hybridity
48	Knutsson, Hans, and Anna Thomasson. 2017. "Exploring organisational hybridity from a learning perspective." *Qualitative Research in Accounting & Management* 14(4): 430-447. DOI 10.1108/QRAM-04-2016-0030.	Management Control Systems	Organizational manifestation of hybridity
49	Kokko, Petra, and Harri Laihonen. 2021. "Performance management and hybridization of healthcare–case of the accountable care organization." *Journal of Public Budgeting, Accounting & Financial Management* 34(3): 411-429. doi: 0.1108/JPBAFM-04-2021-0066.	Management Control Systems	Organizational manifestation of hybridity
50	Ligorio, Lorenzo, Fabio Caputo, and Andrea Venturelli. 2022. "Sustainability disclosure and reporting by municipally owned water utilities." *Utilities Policy* 77: 101382. doi: 10.1016/j.jup.2022.101382.	Management Control Systems	Organizational manifestation of hybridity
51	Mamat, Suaniza, Nik N. Nik Ahmad, and Julia Mohd Said. 2021. "Financial sustainability in Malaysian public universities: coping with or embracing change?." *Journal of Public Budgeting, Accounting & Financial Management* 33(5): 599-617. doi: 10.1108/JPBAFM-09-2020-0157.	Management Control Systems	Organizational manifestation of hybridity
52	Maran, Laura, and Alan Lowe. 2022. "Competing logics in a hybrid organization: ICT service provision in the Italian health care sector." *Accounting, Auditing & Accountability Journal* 35(3): 770-800. doi: 10.1108/AAAJ-12-2019-4334.	Management Control Systems	Organizational manifestation of hybridity
53	Morinière, Agathe, and Irène Georgescu. 2022. "Hybridity and the use of performance measurement: facilitating compromises or creating moral struggles? Insights from healthcare organizations." *Accounting, Auditing & Accountability Journal* 35(3): 801-829. doi: 10.1108/AAAJ-12-2019-4309.	Management Control Systems	Organizational manifestation of hybridity

54	Ponte, Diego, Caterina Pesci, and Pier F. Camussone. 2017. "Between mission and revenue: measuring performance in a hybrid organization." *Managerial auditing journal* 32(2): 196-214. DOI 10.1108/MAJ-11-2015-1276.	Management Control Systems	Organizational manifestation of hybridity
55	Sargiacomo, Massimo, and Stephen P. Walker. 2022. "Disaster governance and hybrid organizations: accounting, performance challenges and evacuee housing." *Accounting, Auditing & Accountability Journal* 35(3): 887-916. doi: 10.1108/AAAJ-12-2019-432.	Management Control Systems	Organizational manifestation of hybridity
56	Vakkuri, Jarmo, and Jan-Erik Johanson. 2020. "Hybrid governance, organisations and society: Value creation perspectives." Abingdon: Routledge.	Management Control Systems	Organizational manifestation of hybridity
57	Vakkuri, Jarmo, and Johanson, Jan-Erik. 2020. "Failed promises–performance measurement ambiguities in hybrid universities." *Qualitative Research in Accounting & Management* 17(1): 33-50. doi: 10.1108/QRAM-06-2019-0072.	Management Control Systems	Organizational manifestation of hybridity
58	Vakkuri, Jarmo. 2022. "PMM and beyond–reflections on the paper “new developments in institutional research on performance measurement and management in the public sector”." *Journal of Public Budgeting, Accounting & Financial Management* 34(4): 501-511. doi: 10.1108/JPBAFM-12-2021-0168.	Management Control Systems	Organizational manifestation of hybridity
59	Berge, Dag M., and Harald Torsteinsen. 2022. "Corporatization in local government: Promoting cultural differentiation and hybridity?." *Public Administration* 100(2): 273-290. doi: 10.1111/padm.12737.	Organizational structure	Organizational manifestation of hybridity
60	Fossestøl, Knut, Eric Breit, Tone A. Andreassen, and Lars Klemsdal. 2015. "Managing institutional complexity in public sector reform: Hybridization in front-line service organizations." *Public administration*, 93(2): 290-306. doi: 10.1111/padm.12144.	Organizational structure	Organizational manifestation of hybridity
61	Mo, Idun G. 2022. "Managing institutional complexity in a state-owned enterprise–the role of explicated values and other management controls." *Qualitative Research in*	Organizational structure	Organizational manifestation of hybridity

	Accounting & Management 19(2): 10.1108/QRAM-09-2019-0100.		
62	Mzenzi, Siasa I., and Abeid F. Gaspar. 2022. "Managing competing institutional logics in governance of public-sector entities in Tanzania." *Journal of Accounting in Emerging Economies* 12(3): 507-546. doi: 10.1108/JAEE-10-2020-0279.	Organizational structure	Organizational manifestation of hybridity
63	Pekkola, Elias, Romulo Pinheiro, Lars Geschwind, Taru Siekkinen, Kirsi Pulkkinen, and Teresa Carvalho. 2022. "Hybridity in Nordic Higher Education." *International Journal of Public Administration* 45(2): 171-184. doi: 10.1080/01900692.2021.2012190.	Organizational structure	Organizational manifestation of hybridity
64	Brandsen, Taco, and Philip M. Karré. 2011. "Hybrid organizations: No cause for concern?." *International Journal of Public Administration* 34(13): 827-836. doi: 10.1080/01900692.2011.605090.	Employees' job attitudes	Organizational manifestation of hybridity
65	Gebreiter, Florian, and Nunung N. Hidayah. 2019. "Individual responses to competing accountability pressures in hybrid organisations: the case of an English business school." *Accounting, Auditing & Accountability Journal* 32(3): 727-749. DOI 10.1108/AAAJ-08-2017-3098.	Employees' job attitudes	Organizational manifestation of hybridity
66	Hodgson, Damian E., Simon Bailey, Mark Exworthy, Mike Bresnen, John Hassard, and Paula Hyde. 2022. "On the character of the new entrepreneurial National Health Service in England: Reforming health care from within?." *Public Administration* 100(2): 338-355. doi: 10.1111/padm.12797.	Employees' job attitudes	Organizational manifestation of hybridity
67	Honingh, Marlies, and Sjoerd Karsten. 2007. “Marketization in the Dutch vocational education and training sector: Hybrids and their behaviour.” Public Management Review 9(1): 135-143. doi: 10.1080/14719030601181274.	Employees' job attitudes	Organizational manifestation of hybridity
68	Jacobsen, Dag I. 2021. "Motivational Differences? Comparing Private, Public and Hybrid Organizations." *Public Organization Review* 21(3): 561-575. doi: 10.1007/s11115-021-00511-x.	Employees' job attitudes	Organizational manifestation of hybridity
69	Jacobsen, Dag I. 2022. "Room for leadership? A comparison of perceived managerial job autonomy in public, private and	Employees' job attitudes	Organizational manifestation of hybridity

	hybrid organizations." *International Public Management Journal* 1-17. DOI: 10.1080/10967494.2022.2077491.		
70	Krogh, Andreas H., and Svante A. Thygesen. 2022. "Project and process management of public-private partnerships: Managerial tensions and coping strategies." *Administration & Society* 54(10): 1993-2020. doi: 10.1177/00953997221100393.	Employees' job attitudes	Organizational manifestation of hybridity
71	Lisdiono, Purwatiningsih, Jamaliah Said, Haslinda Yusoff, and Ancella A. Hermawan. 2022. "Examining Leadership Capabilities, Risk Management Practices, and Organizational Resilience: The Case of State-Owned Enterprises in Indonesia." *Sustainability* 14(10): 6268. doi: 10.3390/su14106268.	Employees' job attitudes	Organizational manifestation of hybridity
72	Nguyen, Dai H., and Martin R. W. Hiebl. 2021. "Individual responses to using management control practices for hybridizing public-sector organizations: evidence from an emerging country." *International Public Management Journal* 26(2): 199-220. doi: 10.1080/10967494.2021.1937414.	Employees' job attitudes	Organizational manifestation of hybridity
73	Pilonato, Silvia, and Patrizio Monfardini. 2022. "Managerial reforms, institutional complexity and individuals: An empirical analysis of higher education." *Journal of Management and Governance* 26(2): 365-387. doi: 10.1007/s10997-021-09621-6.	Employees' job attitudes	Organizational manifestation of hybridity
74	Schrøder, Ida, Emilia Cederberg, and Amalie M. Hauge. 2022. "What is good work in a hybrid organization? On the efforts of sequencing registers of valuation." *Accounting, Auditing & Accountability Journal* 35(3): 917-949. doi: 10.1108/AAAJ-12-2019-4328.	Employees' job attitudes	Organizational manifestation of hybridity
75	Turner, Simon, Ana Lourenço, and Pauline Allen. 2016. "Hybrids and professional communities: comparing UK reforms in healthcare, broadcasting and postal services." *Public Administration* 94(3): 700-716. doi: 10.1111/padm.12256.	Employees' job attitudes	Organizational manifestation of hybridity
76	Bergh, Andreas, Gissur Ó. Erlingsson, and Emanuel Wittberg. 2022. "What happens when municipalities run	Organizational level	HOs' outputs

	corporations? Empirical evidence from 290 Swedish municipalities." *Local Government Studies* 48(4): 704-727. doi: 10.1080/03003930.2021.1944857.		
77	Book, Karin, Lena Eskilsson, and Jamil Khan. 2010. "Governing the balance between sustainability and competitiveness in urban planning: the case of the Orestad model." *Environmental Policy and Governance* 20(6): 382-396. doi: 10.1002/eet.557.	Organizational level	HOs' outputs
78	Boukamel, Owen, Yves Emery, and Armand B. Kouadio. 2021. "Public Sector Innovation. What about Hybrid Organizations?." *Jahrbuch der Schweizerischen Verwaltungswissenschaften* 12(1): 45-59. doi: https://doi.org/10.5334/ssas.156.	Organizational level	HOs' outputs
79	Cappellaro, Giulia, Paul Tracey, and Royston Greenwood. 2020. "From logic acceptance to logic rejection: The process of destabilization in hybrid organizations." *Organization Science* 31(2): 415-438. doi: 10.1287/orsc.2019.13.	Organizational level	HOs' outputs
80	Emmert, Mark, and Michael M. Crow. 1987. "Public-private cooperation and hybrid organizations." Journal of Management 13(1): 55-67. doi: 10.1177/014920638701300105.	Organizational level	HOs' outputs
81	Hyyryläinen, Esa, and Olli-Pekka Viinamäki. 2011. "Benefits of hybridity in organizations: Views from public, private and the third sector." *The International Journal of Management Science and Information Technology* (2-(Oct-Dec)): 16-54.	Organizational level	HOs' outputs
82	Johnsen, Åge. 2021. "Organizing municipal audit: contracting out and audit costs in Norway." *International Journal of Public Sector Management*. 34(4): 407-424. doi: 10.1108/IJPSM-07-2020-0181.	Organizational level	HOs' outputs
83	Kleit, Rachel G., Whitney Airgood-Obrycki, and Anaid Yerena. 2019. "Public housing authorities in the private market." *Housing Policy Debate* 29(4), 670-692. DOI: 10.1080/10511482.2019.1582548.	Organizational level	HOs' outputs
84	Maine, Joshua, Emilia Florin Samuelsson, and Timur Uman. 2022. "Ambidextrous sustainability, organisational structure	Organizational level	HOs' outputs

	and performance in hybrid organisations." *Accounting, Auditing & Accountability Journal* 35(3): 734-769. DOI 10.1108/AAAJ-12-2019-4338.		
85	Nguyen, Mai T., William M. Rohe, and Spencer M. Cowan. 2012. "Entrenched hybridity in public housing agencies in the USA." *Housing Studies* 27(4): 457-475. doi: 10.1080/02673037.2012.677998.	Organizational level	HOs' outputs
86	Opara, Michael, and Paul Rouse. 2019. "The perceived efficacy of public-private partnerships: A study from Canada." *Critical Perspectives on Accounting* 58, 77-99. doi: 10.1016/j.cpa.2018.04.004.	Organizational level	HOs' outputs
87	Plaček, Michal, Vladislav Valentinov, Gabriela Vaceková, František Ochrana, Stanislav Čurda, and Choirul Anam. 2021. "The hybridity of waste management: An in-depth exploratory case study from the Znojmo municipality." *Waste Management* 126: 433-442. doi: 10.1016/j.wasman.2021.03.040.	Organizational level	HOs' outputs
88	Sønderskov, Mette, Rolf Rønning, and Siv Magnussen. 2022. "Hybrid stimulations and perversions in public service innovation." *Public Policy and Administration* 37(3): 363-384. doi: 10.1177/09520767211015015.	Organizational level	HOs' outputs
89	Soukopová, Jana, and Daniel Klimovský. 2016. "Local Governments and Local Waste Management in the Czech Republic: Producers or Providers?." *NISPAcee Journal of Public Administration and Policy* 9(2): 217-237. 10.1515/nispa-2016-0021.	Organizational level	HOs' outputs
90	Tritto, Angela, and Wei L. Yew. 2021. "Embeddedness and Hybrid Organisations in Malaysia’s Urban Heritage Governance." *International Journal of Public Administration*. doi: 10.1080/01900692.2021.2001006.	Organizational level	HOs' outputs
91	Valverde, Mariana, Fleur Johns, and Jennifer Raso. 2018. "Governing Infrastructure in the Age of the “Art of the Deal”: Logics of Governance and Scales of Visibility." *PoLAR: Political and Legal Anthropology Review* 41(S1): 118-132. doi: 10.1111/plar.12257.	Organizational level	HOs' outputs
92	Vining, Aidan R., and David L. Weimer. 2016. “The challenges of fractionalized property rights in public-private	Organizational level	HOs' outputs

	hybrid organizations: The good, the bad, and the ugly." Regulation & Governance 10(2): 161-178. doi: 10.1111/rego.12086.		
93	Virk, Amrit, Kevin Croke, Mariana M. Mohd Yusoff, Khairiah Mokhtaruddin, Zalilah Abdullah, Ainul Nadziha Mohd Hanafiah, Emira S. Ramli et al. 2020. "Hybrid Organizations in Health Systems: The Corporatization of Malaysia's National Heart Institute." Health Systems & Reform 6(1): e1833639. doi: 10.1080/23288604.2020.1833639.	Organizational level	HOs' outputs
94	Karré, Philip M. 2020. "Hybridity as a result of the marketization of public services: Catalyst or obstruction for sustainable development? deductions from a study of three hybrid waste management organizations in The Netherlands." *Sustainability* 13(1): 252. https://doi.org/10.3390/su13010252.	Employee-level	HOs' outputs
95	Krøtel, Sarah M. L., and Anders R. Villadsen. 2016. "Employee turnover in hybrid organizations: the role of public sector socialization and organizational privateness." *Public Administration* 94(1): 167-184. doi: 10.1111/padm.12211.	Employee-level	HOs' outputs

Appendix 2. List of the 87 international peer-reviewed journals and number or records included.

Journal	Number of records
Accounting Auditing & Accountability Journal	9
Public Administration	7
Journal of Public Budgeting Accounting & Financial Management	6
Qualitative Research in Accounting And Management	4
Public Organization Review	3
International Journal of Public Sector Management	3
Public Management Review	3
Public Money & Management	3
Administration & Society	2
Public Administration Review	2
Critical Perspectives on Accounting	2
International Journal of Public Administration	2
International Public Management Journal	2
Sustainability	2
Abacus-A Journal of Accounting Finance and Business Studies	1
Accounting Forum	1
Annals of Public and Cooperative Economics	1
Environmental Policy and Governance	1
Fachsprache-Journal of Professional And Scientific Communication	1
Governance	1
Habitat International	1
Health Systems & Reform	1
Housing Policy Debate	1
Housing Studies	1
Information Communication & Society	1
International Review of Administrative Sciences	1
International Journal of Public Administration	1
International Studies of Management & Organization	1
Jahrbuch Der Schweizerischen Verwaltungswissenschaften	1
Journal of Accounting in Emerging Economies	1
Journal of Business Ethics	1
Journal of Environmental Policy & Planning	1
Journal of Management	1
Journal of Management & Governance	1
Journal of Management Studies	1
Journal of Public Administration Research And Theory	1
Journal of Transport History	1
Local Government Studies	1
Managerial Auditing Journal	1
Meditari Accountancy Research	1
Nispacee Journal of Public Administration And Policy	1
Organization Science	1
Organization Studies	1
Polar-Political and Legal Anthropology Review	1
Project Management Journal	1
Public Integrity	1
Public Policy and Administration	1
Regulation & Governance	1
The International Journal of Management Science And Information Technology	1
Utilities Policy	1
Waste Management	1

Appendix 3. The relationship between HOs and criteria to define hybridity (Johanson and Vakkuri, 2018)

	Combination of criteria								
HO	All dimensions	Goal incongruence + Mixed funding + Diverse form of control	Goal incongruence only	Mixed funding only	Mixed ownership + Goal incongruence + Diverse forms of control	Mixed ownership + Mixed funding + Diverse forms of control	Goal incongruence + Mixed funding	Mixed ownership + Diverse forms of control	Total
State Owned Enterprises (SOEs)	6		2	3	3	2	11	1	28
Public service organizations	4		10				6		20
Distinctive organizations	14								14
Knowledge-intensive Public Organizations (KIPOs)	2		6				3		11
PPP	6					4			10
Municipally owned company	1		7				2		10
Government Sponsored Enterprises (GSEs)		2							2
Total	33	2	25	3	3	6	22	1	95

Chapter III. Steering or Drifting? Reviving Social Equity Through Performance Measurement in Hybrid Organizations. A Case from Italy[5]

Introduction

To date, public management literature has mostly overlooked the relationship between public service delivery and social equity (Cepiku & Mastrodascio, 2021). In this chapter, we aim to contribute to addressing this gap by bridging literature about social equity and institutional theory.

In contrast to traditional accounts of social equity resulting from public organizations' activities, in this chapter we frame it as an institutional logic embedded in public-private hybrid organizations (HOs onwards), which co-exists, interacts and often conflicts with the market and state logics (Karré, 2020). These three logics are driven by different objectives: efficiency and market-driven results, compliance and legality under the bureaucratic paradigm and, we contend, accountability because of how fairly services are distributed among citizens (Smith, Harper and Potts 2013) for the social equity logic.

Extant literature on HOs has investigated the role of performance management systems (PMS) in sustaining organizations' ability to achieve both state-driven and market-driven results (Grossi et al., 2017). Yet, no previous studies have investigated the implications of social equity as an institutional logic for measurement schemes. We assert that social equity needs to be monitored by PMS just as much as the others logics to ensure its pursuit, since organizations' inability to stick to it can lead to a mission drift (Ebrahim et al., 2014). Building on these premises, this study aims to explore the different institutional logics manifesting at the field level in public-private HOs delivering public services and how PMS might support the pursuit of social equity in these organizations. Moreover, we address how HOs might cope with mission drift and the role exerted by PMS in this process to foster social equity.

To address our research questions, we build on a longitudinal, single extreme case study (Pettigrew, 1990) in the field of public housing in Italy. Such field is insightful, since it targets some of the most fragile share of the population and provides an extensive public response to housing need. Our results show that social equity

[5] This work was co-authored with Prof. Giorgio Giacomelli (SDA Bocconi School of Management), Prof. Giulia Cappellaro (Bocconi University), Prof. Raffaella Saporito (SDA Bocconi School of Management) and is currently in press in the peer-reviewed book: *Building a Fair Society: The Global Role of Public Management in Achieving Social Equity*, edited by Sarah Young, Denita Cepiku and Kimberly Wiley for Routledge.

is indeed manifesting as an institutional logic at the field level, together with the state and market ones. Yet, no dedicated measures to monitor it existed, making it unsupervised. Consequently, social equity was substantially neglected, leading to the recognition of a mission drift. We illustrate the different actions enacted to re-balance logics and foster social equity, namely shareholder engagement, revision of the organizational design and of the PMS.

This chapter contributes to different streams of literature. First, to the consolidating field of social equity by empirically showing the contribution of public services in fostering or disrupting social equity, which is currently under-investigated (Cepiku & Mastrodascio, ibidem). Second, to studies exploring hybrid organizations using an institutional theory perspective by analysing longitudinally a case characterized by three constitutive logics, in response to recent calls for studies on the consequences of multiplicity in HOs (Besharov & Mitzinneck, 2020). Third, our findings speak to the debate about performance management systems by investigating the role of performance information in directing organizational behaviour and in framing decisions over competing performance dimensions (Oliver et al., 2020).

Literature Review

Hybrid Organizations Delivering Public Services

New Public Management (NPM) (Hood, 1991) reforms led to the corporatization of multiple public service organizations (Christiansen & Lægreid, 2003). This refers to the introduction of market-inspired features in previously "pure" public organizations and was mainly pursued through the creation of public-private hybrid organizations. The term HO has been used as "a descriptor and umbrella term" (Karré, 2022, p. 2) to define a number of public-private entities that meet at least one of the following criteria (Grossi et al., 2017): mixed ownership, multidimensional goal structure, multiple sources of funding, and diverse form of control. Hence, HOs combine core organizational market and state elements that would not conventionally coexist (Karré, 2020). Despite their rise in number and scope, public – private HOs are still under-investigated (Karré, 2022). This is surprising, since their blurry boundaries make them key players of today's public services' delivery (Karré, 2020).

Overall, extant literature has identified the tensions and contradictions arising from the hybrid status focusing on the public vs private dichotomy. Yet, fewer studies investigated whether public-private HOs might be subject to additional sources of tensions, especially in relation to their ability to account for their public mission. Such gap might be addressed by adopting an institutional logic perspective.

The Institutional Logic Approach in the Field of Hybrid Organizations

Considering their core features, HOs have been extensively studied under the institutional logic perspective (Pache & Thornton, 2020). Institutional logics can be defined as the "socially constructed historical patterns of material practices, assumptions, values, beliefs and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality" (Thornton & Ocasio, 1999, p. 804). The contextual presence of different institutional logics is typical in HOs and might generate conflict, leading to institutional complexity (Cappellaro et al., 2020). Extant literature (Denis et al., 2015) identified two dominant institutional logics in public-private hybrids, namely the market and the state logics. Each logic is driven by different objectives: efficiency and market-driven results the former, compliance and legality under the bureaucratic paradigm the latter. Surprisingly, studies on public-private HOs do not account for the welfare/social logic, which is devoted to pursuing socially-oriented goals and that has long been investigated in the field of social enterprises (Battilana, 2018).

Several dimensions have been identified as salient in determining the organizational configurations of hybridity (Besharov & Mitzinneck, 2020). These include the degree of centrality, i.e., the extent to which logics are regarded as equally important versus one being dominating the other(s); the degree of compatibility, i.e., whether logics entail (in)consistent or contradictory cognition; and multiplicity, i.e., the number of logics constituting the HO. Overall, the lower the compatibility between logics, the higher the likelihood of conflict. On the contrary, low level of centrality might make it easier for HOs' managers to identify priorities and a guide for action. Yet, both dimensions might vary over time and change existing equilibrium (Ramus & Vaccaro, 2017). The consequences of multiplicity are still uncertain and require further scholar development (Battilana et al., 2017).

The contradictory demands that different institutional logics pose to HOs might lead to the abandonment of the mission at the heart of one institutional logic in in favour of the one at the basis of the other, a risk defined as mission drift (Ebrahim et al., 2014). Mission drift can harm organizational survival, in that inconsistent actions from the HO can undermine its internal and external legitimacy (Grimes et al., 2019). The origins and strategies to cope with mission drift in public-private HOs are under-investigated (Battilana et al., 2017).

As already mentioned, public-private HOs have been explored in relation to their public and market constituent elements. Yet, in Western societies social equity is recognized as a pillar to be pursued and monitored by public administration (Cepiku & Mastrodascio, 2021). Nonetheless, extant definitions of social equity depict it as a product resulting from organizational action. In our work, we contend that social equity should be considered as an institutional logic itself that shapes interactions and relationships in public-private HOs, providing meaning to social reality. Such perspective would consider social equity as an inner input for organizational activities, which interacts and perhaps crashes with the market and state logics, up to the risk of experiencing a mission drift. We aim to contribute to the stream of studies investigating HOs under an institutional logic perspective by providing empirical evidence over the effects of the contextual presence of three constituent logics, focusing on their implications for organizational configurations of hybridity (Besharov & Mitzinneck, 2020) over time.

The Role of Performance Management Systems in Managing Institutional Complexity

The complexity of managing competing institutional logics in HOs make “hybrid organisations complicated venues for understanding, valuing and demonstrating results” (Campanale et al., 2021, p. 3). Assessing and measuring their performance is inherently difficult as it is affected by diverging interests and pressures (Grossi et al., 2017). Performance management systems (PMS) could be used as a "medium to reduce the tension between multiple institutional logics" (Nguyen & Hiebl, 2021, p. 4), as they constitute a “clearing house” for conflicting sets of values where conflicts can be resolved via strategies of decoupling, structural differentiation or compromising (Carlsson-Wall et al., 2016).

PMS encapsulates “both the formal mechanisms, processes, systems, and networks used by organizations, and the subtler, yet important, informal controls that are used” (Ferreira & Otley, 2009, p. 264). A PMS can then be defined as the set of practices aimed at allowing the information-decision continuum and it is composed by a set of performance information and organizational consequences that are jointly considered when making sense of an organization’s capacity to fulfil the needs of its stakeholders. From this standpoint, PMSs can be framed as artefacts that organizations use to deal with multiple institutional logics. As "values are the frame of reference for the assessment of performance" (van Dooren et al., 2015, p. 29), a PMS should incorporate and convey the priorities derived from the outcome of the combination between the sets of values associated with different competing logics. However, PMSs do not simply reflect the balance among existing institutional logics. As they are meant to direct behaviours, over time PMSs can reiterate, corroborate or alter such balance. In other terms, one should expect PMSs not only to be inferred from logics but to inform logics as well.

However, such informative process is prone to the risk of producing unintended consequences. As HOs' performance is multidimensional, organizations might design or adopt systems that are particularly skewed towards certain dimensions and tacitly reinforce behaviours that are in line with the need to satisfy such dimensions at the expense of others (Van Thiel & Leeuw, 2002). In fact, when organisations are guided by a constellation of logics leaning on different pillars, such as rule-compliance, efficiency, and equity, "interactions between performance dimensions related to different pillars might create frictions or reinforce each other" (De Waele et al., 2021, p. 356). When such frictions are overlooked, organizations are at risk of experiencing unintended, possibly unseen underestimation of one or more of the dimensions. This risk is even greater if there is no real comparative evaluation of priority among dimensions. Hence, further research is needed on how a PMS should be set up purposefully in HOs to avoid mission drift.

Building on these literature gaps, our study poses the following research questions:

1) What are the institutional logics manifesting in public-private HOs and how does their interplay influence the organizational configurations of hybridity over time?
2) How can performance management systems influence the pursuit of social equity in public-private HOs delivering public services?
3) What strategies can public-private HOs enact to cope with mission drift and keep pursuing social equity?

To answer our research questions, we explore the field of public housing in Italy through a single case study. The field is compelling to observe how public services might give up on their pursuit of promoting social equity and explore actions to enact to re-establish its centrality.

Methodology

Research Design

Given the exploratory nature of our research questions, we adopted a qualitative research design based on an extreme case study (Pettigrew, 1990), which allows us to study a change process from a longitudinal perspective. Data collection is grounded on archival data and two rounds of semi-structured interviews conducted in 2020 and 2022. The considered empirical context is compelling because it concerns a public-private HO which was challenged on its ability to be equitable and allows to observe the manifestation and interplay between different logics.

Empirical Context

Public housing in Italy was subject to NPM-driven reforms in the 90s, which led to the transformation of housing providers into public-private HOs operating at the regional or sub-regional level. Their business models is based on income from rents. The typical tenant is unemployed, poor, socially fragile and exposed to being in arrears on rent (Fosti et al., 2019). Hence, HOs providing social housing today are required to pursue financial sustainability through rents whilst sustaining fragile tenants in social rehabilitation. Plus, they need to pursue such missions whilst ensuring compliance to regional norms, following typical bureaucratic schemes. These features make public housing and their providers a rich and inspiring field to deep dive on how public-private HOs pursue social equity in public service delivery.

The study was conducted in the UT-provider (pseudonym), a public-private HO managing the public housing stock of a Region from Central Italy. UT-provider was a public body converted in 2000 into two public – private HOs operating at the sub-regional level and ultimately merged in 2010 into one regional public – private HO. UT-provider is today an autonomous public body and its statute is approved by the Region. As of 2022, UT-provider comprised 60 employees and manages almost 10,000 housing units, for over 19,000 tenants. 59% of them has been living in these houses for more than 10 years. It certified positive financial results over the 2017-2021 timeframe. The Region establishes access and permanence criteria and rents, which are progressive on fixed income brackets. Municipalities publish public notices to collect housing demand and compile the ranking of those entitled to access housing following regional criteria. UT-provider shares with Municipalities the supply available in a given territory to welcome new tenants. On average, every year UT-provider has a 5% turnover in housing units, which is well below the housing request from Municipalities.

We selected this case because up to 2020 it was considered as a good practice in public housing due to its positive financial results and limited levels of arrears on rents, which are conventionally defined as good indicators of public housing providers' sustainability (Fosti et al., ibidem). Yet, a normative change in 2020 challenged UT-provider's ability to accomplish its mission, questioning the core role of the organization. This acknowledgement was strongly influenced by information use. Last, the HO is currently enacting multiple actions to cope with its mission drift, providing insightful evidence to contribute to the related literature.

Data Collection and Analysis

Our analysis is based on archival data and nine semi-structured interviews lasting 45-90 minutes each. Interviews were conducted in two rounds with UT-provider's top management and its institutional stakeholders. Table 3.1 displays the data sources.

Table 3.1 Data sources

Data source	**Detail**
Interviews	• CEO • Administrative Director (AD) • 3 members of the Accounting Division (including Director) • Regional Director of Housing Policies • Municipal Director for Social Services | Municipality U • Municipal Director for Social Services | Municipality T • Municipal Director for Housing Services | Municipality T
Archival data	• Balance Sheets: 2017 – 2021 (5) • Statute • Regional norms on public housing (3) • Internal documents (2)

Interviewees were selected in relation to their ability to represent and capture the different logics that UT-provider is subject to. The CEO has been working in UT-provider since 1997, when the organization was still a full public body. Hence, he could provide a comprehensive perspective over the HO evolution and history. The AD and the Accounting Division members brought their sectorial experience, whereas representatives from core Municipalities served and the Region allowed us to investigate the functioning of the overall public housing system. As to the archival data, we collected the statute, the balance sheets, as well as internal documents on tenants' distribution between different income brackets. The latter allowed us to explore the equity problem in the organization, as we will explain later in the text.

We first triangulated the interview transcripts and the archival data to identify the institutional logics in place in UT-provider and their implications on the organizational configuration of hybridity. To investigate whether social equity is an institutional logic itself, we followed a pattern- inducing approach (Reay & Jones, 2016 ; p. 9). Successively, open and axial coding was used to identify the role of information use in relation to institutional logics and the strategies enacted in coping with mission drift.

Results

The results section is divided into three parts, which chronologically follow the history of UT-provider. First, we describe UT-provider as a constellation of logics as a result of its hybridization. Second, we illustrate the mission drift that UT-provider experienced and the role exerted by performance management systems. Last, we present the strategies the public-private HO is currently enacting to re-balance the equilibrium between institutional logics and cope with mission drift.

Phase 1: Hybridization | UT-provider as a Constellation of Logics (2000-2020)

UT-provider moved from a pure public body to two sub-regional public-private HOS in 2000 and, finally, to a single public-private HO managing the entire regional stock in 2010. In 2000, the initial choice of a public-private HO form was related to the seek for a greater efficiency and promptness in responding to changes in the external environment, including natural disasters. The HO was deemed a more flexible organizational form that could leverage on market-inspired tools to provide quicker and more effective answers to the regional community. In 2010, the region unified the two sub-regionals HOs into a single one and its constituent documents were identifying the three co-existing logics in the organization. Table 3.2 provides a summary of them.

Table 3.2 Emerging institutional logics in the UT-provider case

Characteristics	**State logic**	**Market logic**	**Social equity logic**
Sources of organizational legitimacy	UT-provider as organization legally entitled to manage and allocate public housing	UT-provider as economic organization that should be financially self-	UT-provider as organization ensuring housing access to those

	stock according to regional norms	sufficient, thanks to income from rents	in need in the target community
Target of legitimacy *Pursuits*	Regional government, as policy maker	Regional government, as unique owner and shareholder	The community and its Interest in accessing to housing
Basis of *organizational* *mission*	Procedural fairness. Compliance to norms, accountability	Financial value creation and efficiency	Fairness in public housing' distribution for those most in need
Basis of organizational action	Compliance and adherence to rules, regulations and expectations	Financial sustainability and cost containment	Adequate distribution of services between different shares of the population

In particular, in these documents UT-provider is defined as "*the instrument through which the Regional government responds to housing need for households living in economic and social disadvantage*" (Statute) and committed to ensuring "*the fulfilment of the right to housing*" (regional law 19/2010) to its citizens, thus stressing how the core of the organizational mission is to respond to those most in need in the target community, supporting social equity. At the same time, the documents recall market-inspired elements by assigning UT-provider with the role of "*improving the management of public housing stock and contain functional costs"* and that the management of the organization should be inspired by *"the criteria of efficiency, efficacy and accountability, under the obligation of financial equilibrium"*. Last, UT-provider is a public body, subject to compliance to regional norms and procedures for "*personnel administration", "procurement"* (Statute) and the management of tenants' access criteria, supporting state logic.

While in strategic mission documents the three logics coexisted, in every day operations (as evident in their PMS) UT-provider's stakeholders - regional government and municipalities - exerted uncoordinated pressures on UT-provider and this led to overlooking social equity-related results. The region was merely interested in market-related indicators rather than social equity ones, as explained by regional Director when discussing the accountability reports required by the regional government to monitor the organization's results:

"The Region establishes objectives on economics, which is the only side where we are putting tensions on and setting boundaries. There are actually no indicators related to the social dimension." (Regional Director of Housing Policies)

The prevailing attention on economics, reflected in abundant requests and reassurances on financial stability, has resulted in the social dimension of the service being somewhat scotomized, as testified by a lack of formal requirements and expressed measures on social equity. One the other hand, UT-provider was subject to different tensions arising from local municipalities, which had *"no Municipal services that could be conceived as an alternative to UT-provider"* (Municipal Director for Social Services, Municipality U). More specifically, lacking intermediate housing solutions for those no longer formally entitled to stay in public housing but still too poor to afford a house in the private market, municipalities made pressures over time on UT-provider to keep a share of tenants formally not entitled anymore within houses. As explained by the AD of UT-provider:

"The lack of households turnover was related to a well-founded choice: the needs of those who exit public housing must be taken care of, and such care means that there is a network which is able to take charge of them, a condition that is just not in place in our Region. […] Poor turnover was favoured by Municipalities' choices, which required the maintenance of the status quo [for lack of alternatives]*".* (Administrative Director)

Such requests from Municipalities did not formally breach the regional norm, since people who are not entitled to stay in public housing for income reasons might stay, subject to paying higher rents. Higher rents lead to greater revenues for UT-provider, contributing to successfully respond to its market logic.

Yet, permanence of untitled tenants collides with the great housing request in the territory. As stated by municipal representatives:

"The demand for public housing is greater than the supply" (from UT-provider) (Municipal Director for Social Services, Municipality T)

The combination between the absence of social-equity oriented indicators from the Regional government, the pressure from Municipalities to reduce turnover and the financial convenience of receiving higher rents made it so, that UT-provider action was substantially oriented towards pursuing its market logic. In parallel, UT-provider always ensured procedural fairness in its activities, since keeping tenants' above the highest income brackets does not per se represent a norm break as long as it is accompanied by an increase in rent payed.

These dynamics show both the field manifestation of each logic and the interaction between them, which over time led to tensions and paradoxes. The case of housing availability and assignation is explanatory. On the one hand, to pursue social equity UT-provider should encourage tenants no longer entitled to stay in housing to exit and to allow newcomers to access. On the other hand, both the pursuit of financial equilibrium and the lack of accountability requests over social equity from the regional government focused organizational action towards preserving the status quo.

Evidence shows how the hybridization phase of UT-provider features low centrality, since market logic is clearly dominating on the other ones, and low compatibility between the market and other logics. State and social equity logics could formally be compatible, since norms are developed to respond to those more in need. Yet, formal compliance is prioritized when it comes to preserve the system and provide a solution to the lack of intermediate alternatives for tenants who exceed the maximum income bracket, leading to contradictory cognition and low compatibility. In terms of structure, this phase is characterized by differentiation, with units dealing with market-related activities separate from those devoted to norm compliance and the pursuit of social equity.

Despite some counter-intuitive decisions over housing allocations, UT-provider did not go under scrutiny for years. Things changed after a new regional norm was enacted in 2020.

Phase 2: Drifting | UT-provider and Mission Drift (2020)

Up to 2020, access criteria to public housing established at the regional level were based on income evaluation. Permanence in public housing was granted based on a two-yearly check on households' income. The responsibility for this check was assigned to UT-provider, which conducted non-automated checks, as it could not rely on an integrated and comprehensive system illustrating households' income situation. This resulted in poor-quality controls or even no controls at all, leading to a situation of so-called analysis paralysis or information overload (Edmund & Morris, 2000). The lack of control was accompanied by some subtle acknowledgement of possible unintended consequences of the overall fairness of the system:

"*There was the possibility that phenomena of blatant disparity would occur, because with no systematic control […] some income situations were just out of sight.*" (CEO)

Hence, service assignation to households was at risk of being inconsistent with the basis of the organizational mission of all institutional logics. It was not fulfilling the state logic, since UT-provider was not controlling all households appropriately. Similarly, it was not fulfilling the market logic, because low rents payed by tenants who could pay more lead to lower revenues, nor social equity, since there were possible disparities between those who were subject to control and those who were not. The organization acknowledged that something had to change. Hence, it leveraged on its role in the housing system to advocate for a change in the regional law. Precisely, UT-provider required that access and permanence criteria would be based on a well-established, automatized national indicator of the economic condition of the household (called ISEE[6]) which comprises both income and assets, rather than income alone, thus offering a more reliable representation of the households' economic status.

UT-provider further contributed to the change in regional law by advancing a proposal of different ISEE brackets to manage access criteria and to define different and progressive rents. Households resulting to have ISEE levels over the threshold to remain in public housing would be charged with market-level rents, in order to encourage exit from the system. Overall, such normative intervention was aimed towards ensuring both greater equity in the system and norm compliance.

All requirements were accepted and implemented by the Regional government, which in 2020 enacted a new norm disciplining public housing. Despite such prompt coordination with the Region, shortly after starting to apply new permanence criteria to its tenants, UT-provider was confronted with a controversial result:

"At this point, we acknowledged that there was a disproportion [in tenants' distribution]*"* (CEO).

As shown in Table 3.3, tenants' distribution resulted sharply oriented towards the highest ISEE levels.

Table 3.3 Distribution of tenants by ISEE bracket (2020)

ISEE brackets	Share of tenants by ISEE bracket
<3,000 €	3%

[6] Equivalent Financial Situation Index ("Indicatore della Situazione Economica Equivalente")

3,000-6,000 €	10%
6,000-12,000 €	31%
12,000-20,000 €	29%
20,000-30,000 €	15%
>30,000 € (*threshold for permanence)*	12%

Source: internal documents from UT-provider

Hence, UT-provider was providing public housing to a different target than the one it should serve in the community, leading to the recognition of a mission drift (Ebrahim et al., 2014) at the expenses of social equity. The reasons behind such drift are rooted in the already mentioned contradictions within UT-provider. On the one hand, there were no incentives to favour the exit of people with higher income; on the other, UT-provider had no measures to monitor the organizational ability to ensure fairness in services distribution. On the opposite, requirements from the regional level substantially stressed the need to deal primarily with financial aspects, thus leading to the adoption of measures to control financial sustainability but overlooking the other dimensions at stake. Yet, before the normative change and the related work on the PMS, no-one was aware of the disproportion in housing allocation. Such results, which were then shared with the Region, caused institutional turmoil:

"ISEE provides a different picture (with respect to income), revealing situations of people that might have improved their economic conditions due to the permanence in those housing units. Yet, this is not the regional scope, which seeks a more homogeneous distribution of tenants among different income brackets: revenues and social needs are conflicting dimensions". (Regional Director of Housing Policies)

With her words, the Regional Director summarized two issues at the core of this case. The improvement in the economic condition of tenants might *per se* be a good indicator for social equity, since it testifies that the access to housing at a rent below the market rate might improve citizens' socio-economic conditions in the long run (as said, 59% of tenants have been living in UT houses for more than 10 years). Yet, the lack of fairness in the distribution of service between different brackets might result in a disproportion that disrupts the overall social equity, rather than enhancing it.

"In the Municipality, many tenants who entered many years ago are now elderly and accumulated some wealth over time: they used to be our target when they entered the service, but maybe they are not anymore" (Director, Accounting Division).

The second and related issue emerging from the introduction of the new law is related to the redefinition of rents following ISEE brackets. 12% of tenants resulted having ISEE levels above the maximum allowed by the new norms (€30,000), requiring them to pay market-level rents after years of rents set well below it. The width of such share raised trade-off concerns within UT-provider:

"We have some problems, because people in the highest ISEE brackets will end up paying rents similar to the market level: is it appropriate that they stay in our housing units? Or shall we use this discrepancy to foster their exit from public housing?" (Administrative Director).

After the recognition of such a mission drift, social equity logic gained centrality in the organizational discourse with respect to other logics. Compatibility between logics varies between those considered: new regional criteria raise important equity issues in relation to housing distribution (state vs equity); whereas the current distribution of rents favours financial results, resulting in high compatibility between the state and the market logic, and low between social equity and market logics. In terms of structure, this phase is still characterized by differentiation, since no changes in the organizational design occurred.

Phase 3: Steering | Re-balancing Institutional Logics (2021-ongoing)

UT-provider engaged in different initiatives to re-establish the equilibrium between different institutional logics. First, UT-provider revised the access criteria established by the regional law, following the state logic. Yet, it did so through a new collaborative approach with stakeholder to collectively define the criteria and ensure these are perceived as fair by the local community. At the moment we are writing (spring 2023) the revision work is ongoing, based on the collaboration between professionals from the Regional Directorate and tenants' unions, as explained by the CEO:

"We networked with tenants' unions. […] We care that the revision process shall be participated, gathering all actors involved and we are the only ones that have data to discuss on. (CEO)

Information on tenants' ISEE distribution became a strategic tool to reach consensus over changes that should invest public housing in the region. This process re-establishes community centrality in orienting public housing in the territory, stressing the organizational interest in fostering social equity.

The process is oriented to revising access criteria and the related ISEE brackets, *"[…] in order to make them more equitable" (CEO).* The CEO underlines how "*[…] It is fair that those who have the most pay more, this is out of the question, but it might become unfair when those who pay more count for 50% of revenues from rent […]. Hence, we revised this internal distribution* [of ISEE brackets]" (CEO). To interpret these words, the organization should be fairer in its requests to different tenants, even if this might imply the search for different ways to achieve its target revenues. New criteria should also enhance gradualism and flexibility between brackets to avoid sharp changes in rents paid in relation to limited variation in ISEE values. Stressing his search for balance between the state and the social equity logics:

"We also need to avoid the case in which, depending on one euro more (or less), you end up being assigned to a higher or lower ISEE bracket" (CEO).

Second, being aware that the mission drift has been the result of a lack of data control, the top management of the organization is currently reviewing the performance management system, as well as fostering organizational integration. As to the former, UT-provider is moving towards a new PMS oriented at "*showing the redistributive nature of public housing and our ability to produce public value*" (internal document). The new PMS should provide a more comprehensive support to inform decisions, accounting for all the logics that co-exist in the organizations. As to the latter, UT-provider moved from a differentiated to an integrated organizational design (Lawrence & Lorsch, 1967), to integrate units responsible for different missions, with internal units accountable for ensuring fair distribution, formal compliance and low levels of arrears on rent. The expectation on this new structure is that it should facilitate the integration between logics and develop a hybrid organizational culture fully aware of the different missions underpinning UT-provider.

In the steering phase, centrality is high since UT-provider is committed to ensure equity in housing distribution, whilst relying on consistent bureaucratic norms and the persistence of its financial equilibrium. Relatedly, UT-provider is now working to ensure compatibility between logics to reach a new equilibrium where the focus on financials might co-exist with fair distribution and norm compliance.

Overall, our case shows how social equity manifests as an institutional logic that interacts with the state and market logics. Such interaction leads to different levels of centrality and compatibility over time, following organizational priorities. As we are considering three constitutive elements, our work adds new insights to extant literature, showing how compatibility might vary along the different sub-set of logics considered. Throughout the three phases described, PSM played a crucial role in informing organizational behaviour and detecting HO's (in)ability to pursue its different objectives, recognizing mission drift and last, guiding the process of re-balancing missions.

Table 3.4 illustrates the evolution of the level of centrality and compatibility by providing a multi-level view over the interaction between different logics over time.

Table 3.4 The evolution of centrality and compatibility between logics in the UT-provider case

	State and market	**State and social equity**	**Market and social equity**
Hybridizing (1997-2020)	**Centrality**: low **Compatibility**: low Efficiency is the primary focus for UT-provider (centrality), to overcome limits from bureaucracy (compatibility).	**Centrality**: low **Compatibility**: low Regional norms and procedures are built to respond to those most in need in society but formal compliance can be prioritized (centrality) and contrast social equity (compatibility).	**Centrality**: low **Compatibility**: low Financial results are the only objectives required by the regional shareholder and guide organizational action (centrality). Tenants' paying higher rents provide greater return than those at poverty risk (compatibility).
Drifting (2020)	**Centrality**: high **Compatibility**: high UT-provider requires a change in regional norm to support its financials (centrality), whose effect increase revenues (compatibility).	**Centrality**: high **Compatibility**: low UT-provider requires changes that are aimed to increase fairness (centrality). Yet, its proposals show a distorted housing distribution (compatibility).	**Centrality**: high **Compatibility**: low Data on tenants' distribution among different ISEE brackets show unfair distribution of housing due to historical greater attention devoted to financial equilibrium at the expenses of social equity (compatibility). Yet, social equity is now at the centre of the organizational debate

			just as much as NPM-related discourses (centrality)
Steering ***(2021-ongoing)***	**Centrality**: High **Compatibility**: High UT-provider engages in a further change in regional norm to identify new ISEE brackets that might support its financials (centrality), trying to identity appropriate brackets' level to ensure financial sustainability (compatibility)	**Centrality**: High **Compatibility**: high UT provider is defining access criteria that can account for overall equity (centrality) for all tenants, to ensure they are consistent with the pursuit of social equity (compatibility)	**Centrality**: High **Compatibility**: High (in progress) Social equity is considered just as important as the pursuit of good financial results (centrality), yet how to converge is still in the process (compatibility)

Discussion

Our in-depth analysis on UT-provider aimed at identifying the institutional logics manifesting in public-private hybrid organizations delivering public services and their dynamic evolution over time; the role of information use in fostering social equity in public service delivery and the strategies HOs can enact to cope with mission drift to support social equity. By answering to our research questions, we contribute to the streams investigating social equity (Cepiku & Mastrodascio, 2021), hybrid organizations (Besharov & Mitzinneck, 2020) and their performance management systems (Grossi et al., 2022).

The first contribution is related to the identification of social equity as an institutional logic interacting with the state and market logics in public-private HOs, overcoming the conventional dichotomy between public and private constitutive elements (Denis et al., 2015). Relatedly, we argue that the binary interpretation of the institutional logics dominating public-private HOs mirroring their sectorial boundaries seems insufficient to explain the underpinning tensions in managing public services. The publicness of services appears at least in two different and separated discourses. On one hand, as the request for formal compliance and accountability of decisions and practices. On the other hand, as the request for a fair distribution of resources towards those most in need of access to public services (fair rents or selection criteria). The first can be traced back to the state institutional logic (Thornton & Ocasio, 2012), while the second to social equity institutional logic, as results from this study.

Framing public service provision as a field where competing tensions arise provides innovative explanations over why efficiency, effectiveness and equity (Cepiku & Mastrodascio, 2021) are considered as potentially conflicting goals. Institutional logics offer a wide, rich and theoretically solid approach to understand how to recognize and cope with such tensions.

The second contribution is related to the stream of literature devoted to studying HOs from an institutionalist perspective (Pache & Thornton, 2020). We do so by answering to recent calls for studying HOs with three or more constitutive elements (Cappellaro et al., 2020) and the consequences of multiplicity, showing the dynamics of interaction between logics from a longitudinal perspective. Building on the framework developed by Besharov and Mitzinneck (2020), we illustrate the evolution of the configurations of hybridity over time, showing how the degree of centrality and of compatibility might vary. This result is consistent with what was observed in social enterprises (Ramus & Vaccaro, 2017). Yet, we add a further layer of complexity with respect to compatibility. Not only it might change over time, but when considering three or more constituent elements we can be confronted with differentiated compatibility between subsets of logics. Hence, the different configurations of hybridity shall be considered in a multi-level perspective, when multiplicity raises.

We further contribute to the stream of management of hybrid organizations by providing evidence on how mission drift emerges in public-private HOs and how they cope with it. With regard to actions enacted, we show how UT-provider decided to change its organizational design towards an integrated model to reinforce a common organizational identity that strikes a balance between different logics. Second, the HO leveraged on its PMS to engage in a stakeholder engagement process (Ramus & Vaccaro, ibidem) oriented to changing regional norms; and in parallel, is working on a revision of the PMS itself, to better account for its multidimensionality.

The last contribution relates to the stream of performance management in hybrid organizations delivering public services. The case highlights how PMSs can operate as a *choice architecture* (Thaler et al., 2013). Whether expressed or implied, it directs behaviours at the organizational level. From this point of view, the emerging insights suggest that both the absence of informative tools designed to pull the organization towards the expected dimensions of value, and the excess of such tools can lead to situations of actual inability to take decisions based on information. A possible consequence observed from this case is mission drift. Hence, HOs need to build arrangements of performance management that are constantly oriented to support the combination between mission and context. Drawing on previous scholarship, we reconcile such insights with the debate on *purposeful* use of performance information (Moynihan & Lavertu, 2012). Moreover, this case shows how performance information can legitimize the internal discourse over social equity.

The availability of more reliable information on overall social conditions of current and prospect tenants provided by the ISEE index, made explicit to the management of UT-provider the contradiction between the procedural fairness of public housing access regulation (fully respected) and its social equity (largely disregarded).

Conclusions

Social equity has conventionally been depicted as the result of public service delivery. In this study, we argue that it is an institutional logic that co-exists and at times collides with other logics, and that might be monitored and pursued when performance management systems recognize it and develop adequate measures. We support our claim through a case study devoted to a public-private organization in the field of public housing in Italy, characterized by the presence of the state, market and social equity logic. We show how the organization is a constellation of three institutional logics, whose priority in the organizational agenda is partly driven by performance management system. When social equity logic is neither measured nor required by regional shareholders, it becomes unsupervised to the point of being disattended, experiencing a mission drift. Once mission drift is recognized, the HO might enact actions to re-balance logics, namely stakeholders' engagement, the review of the organizational design and of PMS.

Our study faces some limitations that should be addressed in future research. First, we rely on a single case study, which though being highly informative provides limited external validity. Scholars should investigate social equity as a logic in other policy fields, other countries and among a wider sample of organizations. Second, future studies should focus on the different meaning attached to "social equity" in the public discourse over time and how it reflects on public organizations' priorities and choices in delivery. Despite the limitations of this study, we believe it might open a new discussion over how public service organizations might foster social equity, opening wider space for managerial intervention.

Public Management Takeaways:

- Measurement is critical to the pursuit of social equity. However, the results must also be shared with stakeholders, starting with the target community, for change to occur.
- All changes need legitimacy, especially those meant to increase social equity.
- Information can create a consensus that improves transformation plans.
- Teams should define the meaning of “fairness” in service delivery programs, including thinking about procedural fairness and distributive fairness.

Takeaways for Future Scholars:

- Social equity can be explored as an institutional logic in different policy fields and countries.
- Society’s definition of what social equity is, or is not, affects public service delivery, warranting a close eye on how it evolves.
- Hybrid organizations need metrics to measure the delivery of public services when pursuing social equity goals.

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Chapter IV. Grasping public value in welfare services: evidence from hybrid organizations[7]

Introduction

The crisis of traditional public welfare systems and the legacy of New Public Management (NPM) (Hood, 1991) paved the way for an increasing hybridity in the provision of social services (Billis, 2010; Evers, 2005). Mixed provision forms are frequently defined as hybrid organizations (HOs) (Billis and Rochester, 2020), as they bring together features from the public, profit and not for profit sectors. HOs are dominant actors in modern welfare systems and are featured by a variety of different governance schemes, regulations, and managerial approaches (Vakkuri and Johanson, 2020). Despite the widespread reliance on HOs in social care services' provision, these organizations are still seeking legitimacy in the external environment, as they are different from 'pure' organizational forms (Rosser et al. 2022). This quest for legitimacy faces important challenges, including the lack of consensus over HOs' positive impact and contribution to the development of modern societies. On one hand, some argue (Evers and Laville, 2004; Vakkuri et al. 2021) that HOs can foster public value (Moore, 1995) by bridging together public and private resources and by actively involving citizens. On the other hand, some authors warn (Vining and Weimer, 2017) about the risk of a predominance of a business-like approach in welfare interventions, which could be detrimental as social services struggle in reaching positive economic performance (Koch and Mont, 2016) and are frequently subject to ethical or political dilemmas (e.g. services for migrants, see Banks, 2020). Whether the point of view, this ambiguity is (partly) due to difficulties in measuring and evaluating HOs' results and the value they can produce (Grossi et al. 2017). This is evident in welfare and social care sector, where the concepts of quality, impact and value still need to be clarified and operationalized (Ewert, 2020). Also, as HOs in the welfare sector are required to meet both financial sustainability and socially-oriented goals, the identification of performance targets and related measures is somehow difficult (Battilana, 2018).

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In this chapter we contribute to this debate by presenting the case of one HO operating in social care services' provision in the Milan metropolitan province (Italy), disentangling the process that led to the development of a public value measurement framework that accounts for the multi-dimensional nature of the HO's activities. Our work provides three main contributions. First, we advance a process to operationalize the construct of public value, which is frequently criticized for its elusiveness (O'Flynn, 2007). Second, we empirically show how HOs can develop adequate measurement schemes to account for the multi-dimensional nature of their performance (Grossi et al. 2017) to gain legitimacy in the external environment (Rosser et al. ibidem). Third, we contribute to the ongoing debate over the role of HOs in service provisions (Billis and Rochester, 2020), including welfare ones, by addressing the unique contribution they can provide and pointing out some grey zones that shall be closely monitored when dealing with these organizational forms.

Theoretical background

Municipally-owned corporations and their outcome

Hybrid organizations are 'formal organizations that utilize the distinctly different principles of more than one of the three sectors (public, private, third)' (Billis and Rochester 2020, 1). In this work, we focus on HOs blending features from the public and private sector, which include Municipally-owned corporations (MOCs) (Olsen et al. 2017). Today, MOCs are key players in public service delivery (Karré, 2020) and their performance can contribute to the establishment of political consensus (Bognetti and Robotti, 2007), as they are in charge of services provided directly to citizens. These include multiple welfare services (Fossestøl et al. 2015), such as child protection (Schrøder, Cederberg and Hauge, 2022) and waste management (Karré ibidem).

Despite their popularity in modern service delivery, extant research is not unanimous in assessing MOCs' outcomes. Some scholars assert that local government should give up on this provision form, as they can become danger zone for corruption (Bergh et al. 2019), citizens are not more satisfied with services with respect to contexts where MOCs are not present (Bergh, Erlingsson and Wittberg 2022) and it is difficult, assessing 'who' is accountable 'to whom' and 'for what' (Grossi and Alexius, 2015). On a opposite line of argument, Voorn, van Genugten and van Thiel (2017) systematically reviewed studies on MOCs' efficiency and effectiveness, finding that they are a viable means for delivering local public services, when promoted by Municipalities that are capable of initiating and managing complex contracts.

This ambiguity in assessing MOCs' outcomes is partly related to difficulties in identifying evaluation schemes (Grossi and Alexius, ibidem) that can support public shareholders in assessing MOCs' ability to contextually reach both economic and financial results. The lack of adequate measurement schemes is amongst the major challenges to HOs' seek for legitimacy in the environment (Rosser et al. 2022) and still require empirical and theoretical investigation (Grossi et al. 2017).

Multi-dimensional measurement: insights from the public value framework

Performance management systems (PMS) are recognized as powerful instruments for the contextual monitoring and evaluation of HOs' financial results and its ability to achieve a public mission (De Waele et al. 2021). Nonetheless, the assessment of HOs' performance, including MOC's, is considered more difficult (Grossi et al. 2017), requiring multi-dimensional and innovative schemes that shall go beyond market driven indicators inspired by NPM, which received multiple critiques in its application to public service delivery (Hood and Peters, 2004). These critiques led to the rise of alternative frameworks for evaluating public service delivery (Osborne et al. 2022), including public value. The pioneer of this theory was Moore (1995) who claimed that services secure social legitimacy if they create something substantively valuable for society (namely, public value). Consistently, public value is intended to support and guide public managers 'in their efforts to create more prosperous, sociable, and just societies' (Moore, 2019, 351). To disentangle this effort, Moore developed (1995) the strategic triangle, which identifies the three dimensions that managers shall constantly align to create public value. First, strategy should be aimed at creating something valuable; second, it must be legitimate and politically supported; and third, it must be operationally and administratively feasible. As these areas are frequently misaligned (e.g. valuable idea with no operational means to reach it), managers are confronted with multiple trade-offs and are constantly striving to find balance and create public value. Moore's seminal works paved the way for a vivid stream of literature, which stressed the multi-dimensionality of the construct of public value, 'a reflection of collectively expressed, politically mediated preferences consumed by the citizenry – created not just through "outcomes" but also through processes which may generate trust or fairness' (O'Flynn, 2007, 358). Nonetheless, the framework of public value received numerous critiques related to the construct being elusive (O'Flynn, ibidem), ambiguous (Rhodes and Wanna 2007), requiring further conceptual clarity to truly become an umbrella concept (Alford and O'Flynn 2009) that might capture the wider public value(s) universe (Jørgensen and Bozeman 2007). Relatedly, some scholars (Mulgan et al. 2019; O'Flynn, 2021) called for further empirical investigation on the measurement of public value, which is still under-investigated. An empirical application of the public value framework to MOCs could provide insightful evidence to conduct a multi-dimensional evaluation of service delivery.

Building on our literature review, our study aims to investigate *how municipally-owned corporations might develop a multi-dimensional framework to define and measure the public value they create in welfare service delivery*.

Context and methods

Empirical setting

The empirical setting of this research is Lombardy Region, in Italy. In the wave of New Public Management reforms, multiple municipalities in the Region decided to establish Municipally-Owned Corporations to manage and deliver social care services, calling them 'ASC' (Azienda Speciale Consortile, *Special consortium agency*). As of 2023, Lombardy counts 35 ASCs, including ASC Comuni Insieme *(ASC Municipalities together)*, which is the largest of the Region. ASC Comuni Insieme (ASC hereafter) was born in 2004, it is fully owned by seven Municipalities located in the Metropolitan Area of Milan, serves around 200,000 inhabitants and in 2022 counted nearly €17mln in revenues. ASC delivers social services in favor of children, older and disabled people and marginalized adults.

In 2019, ASC went through political turbulence as its public shareholders questioned its economic convenience with respect to other delivery schemes, requiring innovative ways to represent the value generated for its community. Confronted with this pressure, ASC was interested in demonstrating that its value goes beyond economic figures and required technical advice to the authors. Building on these premises, authors proposed an action research approach (Susman and Evered 1978) devoted to the identification and measurement of the public value ASC generates for the community, which was accepted. The aim of this approach was twofold. On the one hand, to support ASC in illustrating the multi-dimensional nature of the value generated for its shareholders and the community and lower the political pressure on the corporation. On the other hand, to provide researchers with a unique opportunity to co-design a public value measurement framework for a hybrid organization in the welfare sector, filling a research gap.

ASC Comuni Insieme provides a suitable case to inspire the development of more refined measurement schemes for both organizations delivering welfare services and other hybrid organizations.

Methodology

This study is based on a single case study (Yin, 1994) analyzed through an action research approach developed between late 2019 and 2021 that involved authors and the management of ASC Comuni Insieme. We assert that action research is an appropriate approach to answer our research question for three reasons. First, in the absence of benchmarks for developing multi-dimensional frameworks to measure public value, this methodology can grasp the core elements defining public value 'from inside', by working hand in hand with professionals and stakeholders. Second, the co-production of the framework with its end-users increases the chances of usability beyond the timeframe of the project, so to become a valuable instrument for the HO routine. Third, previous research on HOs and performance management (Ponte et al. 2017) relied on the same methodology, providing insightful indications for our research.

Action research projects can provide insightful results both for professionals and for researchers (Rapoport 1970), as they simultaneously bringing about change in the project situation (the action) while learning from the process of deriving the change (the research) (Wilson, 1991). Since its first introduction (Lewin 1946), action research has been concerned with the purpose of combining theory building with changes in organizational actions through the direct involvement of the researchers. Over time, action research developed in multiple directions, but studies adopting this approach present some common features (Rose et al. 2015), namely the collaborative partnership between researchers and the participant organization in each phase of the project; and the 'actionability' of results and their valuability for all participants. Among the different approaches to action research adopted over time (e.g. Stringer, 1999; Whitehead, 2004), this study is inspired by the process described by Susman and Evered (1978), as it comprehensively accounts for the different phases of action research. The process consists of five phases, which all involve researchers and the organization: *diagnosing*, that relates to the identification of the problem to be tackled; *action planning*, concerned with the definition of multiple and alternative courses of action to solve the problem; *action taking*, when the group identifies the course of action to pursue; *evaluating*, when the team monitors and measures the consequences of an action; *specific learning*, devoted to the identification of more general findings for the organization. Our research followed this scheme: yet, for reasons of scope, in this chapter we focus on the phases of 'action taking' and 'evaluating', as they represent the core of our empirical evidence. Throughout the project, the first two authors had an active and collaborative role with ASC's top management to guide the research process, analyze and systematize emerging evidence.

Following extant indications on action research (Trist 1977), we first identified a small working group involving ASC's top management to be involved in each phase of the project. Table 4.1 illustrates the main features of the two phases of the action research developed in this manuscript. Data analysis was based on inductive coding (Fereday and Muir-Cochrane, 2006) of interviews' and focus group transcripts and of archival documents.

Table 4.1. Syntesis of the phases of action research project

Phase	**Purpose**	**Actions**	**Corresponding phase in Susman and Evered (1978)**
1. Identify shared categories over <u>what</u> public value is and <u>how</u> it is generated	Identify the dimensions of public value related to welfare services' delivery and the operational mechanisms to deliver them	• 1 focus groups with the small group, using the Nominal Group Technique • 7 semi-structured interviews with cooperatives working with ASC • 2 focus groups, one with Welfare Directors' of the Municipalities served (7 participants); one with Associations cooperating with ASC (5 participants)	*Action taking*
2. Measure shared categories	Operationalize the dimensions of public value to find empirical support	• 17 archival documents from 2015 to 2019 (balance sheets, social reporting, other internal reports) • 4 interviews with the Director of each of ASC's business unit • 1 meeting with the small working group to gather feedbacks	*Evaluating*

The first phase was devoted to identifying the dimensions of public value related to welfare services' delivery and the operational mechanisms to deliver them by involving both the working group and ASC's external stakeholders. As a first step, we focused on the internal dimension to identify the dimensions of public value generated by ASC by mean of one face-to-face focus groups of 120 minutes. During the focus group we used the nominal group technique (NGT, Delbeq and Van de Ven 1971), a structured method for group decision-making and idea generation. We asked the small working group to answer to the following questions: *how would you define 'public value' in welfare services? Shall you measure it, which dimensions would you choose?*. Researchers inductively analyzed the minutes of the focus group to identify emerging macro-dimensions defining what public value ASC generates from its management perspective and how it delivers public value at an operational level.

As a second step, we involved relevant stakeholders to account for the external perspective on ASC's activity. All interviewees were identified jointly with ASC to select partners that cooperate more frequently with the organization and can share an informed perspective over its activities. In total, we involved 19 relevant stakeholders. More precisely, we conducted seven semi-structured face-to-face interviews representatives from cooperatives; one face-to-face focus group with the Welfare Directors of ASC's public shareholders (7 participants) and one with representatives from four local associations (5 participants). Interviews lasted between 45 and 60 minutes; each focus group lasted 90 minutes. All interviews occurred before March, 2020: hence, they account for a pre-pandemic perspective. The first research design included semi-structured interviews with citizens that benefit from ASC's services, to be conducted in Spring 2020. The Covid-19 pandemic and the related restrictions required us to revise our strategy. Despite the lack of the direct perspective of citizens, we believe that the vast involvement of local stakeholders can provide valuable insight to integrate the HO's internal perspective.

The structure of interviews and focus group was similar: first, we asked the origins and features of the cooperation with ASC. Second, we asked which were the dimensions of public value that characterize ASC and how ASC delivers such value for the local community. In this question we did not share any result from the phase 1 of the project. Last, we illustrated to participants the dimensions of value identified by the small working group from ASC to see whether interviewees agreed or disagreed on each one of them. Moreover, we asked to identify the ones that were considered as more distinctive of ASC's work and its ability to generate public value. Transcripts of each meeting were inductively analyzed to compare the 'what' and 'how' from ASC with that of its stakeholders and get a final list.

Successively, we entered the next step of our project, aimed at identifying appropriate measures to operationalize the dimensions of value emerged in phase 1. The purpose was to assess whether the identified dimensions of value could be substantially sustained and demonstrated. To do so, we analyzed archival documents (balance sheets, social reporting and other internal documents) and notes from each meeting with external stakeholders to identify qualitative and quantitative evidence that could support ASC's dimensions of value. As a second step, we shared our proposed set of measures to ASC's top management in individual meetings to gather feedbacks and to integrate our view. The final set of measures per each dimension was presented for validation to the small working group in a dedicated meeting.

Results

Phase 1: Identify shared categories over what public value is and how it is generated

When faced with the question: *how would you define 'public value' in welfare services?,* practitioners working for ASC discussed about the mission and meaning of their everyday work by focusing on i) the drivers of their action; ii) the value they aim to deliver for the community and the welfare system and iii) the actual value the perceive to generate through to their work. After researchers' inductive coding of the notes of the focus group, this discussion resulted in 7 different dimensions of public value that managers recognize as meaningful for ASC, summarized in Table 4.2.

Table 4.2 Synthesis of the public value dimensions related to welfare services

How is public value defined in the context of welfare services?
1. Ensuring a proper use of public resources
2. Improving service quality and deliver more equitable solutions
3. Serving and reaching a higher number of beneficiaries
4. Favoring a spillover effect
5. Going beyond the mission of traditional social services
6. Solving crisis
7. Promoting trust and cohesion in the local welfare systems

The first definition relates to 'Ensuring a proper use of public resources'. One of ASC's self-perceived main contribution (and also reason for which it was originally established) is to implement managerial principles that promote an efficient and effective use of the public resources it is assigned with. This dimension is defined as the ability to pursue a public vision that is oriented (also) towards economic sustainability. Moreover, such orientation is favored by the regulation on HOs, which imposes a constant monitoring of economic results through dedicated reporting. The second is 'Improving service quality and deliver more equitable solutions'. This was defined as the positive value of delivering homogeneous services and applying the same functioning rules for multiple Municipalities. In Italy, local governments have competencies on the regulation and delivery of social services, resulting in high differentiation in access criteria and quality standards between different contexts (e.g. in terms of type and number of professionals involved in services and of interventions available) (Longo, Notarnicola and Tasselli, 2015). As ASC serves multiple Municipalities with homogeneous criteria and quality standards, it minimizes the effects of post code lottery and of 'not in my backyard', that would otherwise be exacerbated in single Municipalities. The third definition is **'**Serving and reaching a higher number of beneficiaries'**.** The effective management and the focus on operations allows for some savings and efficiency mechanisms, so that ASC can reach a wider number of beneficiaries of social services than the simple sum of those reached with the previous municipally-based organization. Also, its focus on innovation and attention on social trends allows the HO to include beneficiaries that are traditionally excluded from municipal interventions for a lack of visibility or absence of information. The fourth element is 'Favoring a spillover effect'. Thanks to its central role in local welfare systems, ASC enables the indirect spread of competences and knowledge to other welfare actors. This was mentioned with specific relation to managerial competences, namely the introduction of management control systems (first started in ASC and successively adopted by other organizations), and the rise of grants' management competencies in international, multi-actor projects coordinated by ASC. Further, it emerged in relation to the community-based approach in projects, which is at the core of ASC's way of working and inspired many third sector organizations that learned and replicated such approach. The fifth element is the 'going beyond the mission of traditional social services**'**. After reaching satisfactory results in managing traditional social services, ASC gained some space of maneuver for testing innovations and opening to new initiatives, such as remote assistance for older people. Its good reputation and solid results also gave the HO the authority and possibility to go beyond the political mandate it received years before, since its managerial approach made it trustworthy in front of most policy makers and the community. The sixth is 'solving crisis'. When faced with social issues that polarize politics (such as management of refugee crisis), ASC becomes a neutral arena to find technical solutions, away from the political debate. This was decisive in many situations, as some Municipalities externalized completely 'controversial social issues'. The last element is the ability of 'promoting trust and cohesion in the local welfare systems'. ASC is recognized by third sector organizations, foundations and other public institutions as the reference actor for welfare services' related topics, often providing technical assistance to its partners. ASC constantly plays a coordination role, facilitating the coordination of different interventions, including large international grants that consolidated its credibility and core role in the area.

After this discussion, the focus group focused on the how question, reflecting on ASC's operational features supporting the delivering of the above-mentioned dimensions of public value. The discussion led to the recognition of 12 specific features (Table 4.3).

Table 4.33. How is public value deployed in welfare services?

How is public value delivered in the context of welfare services?
1. Guaranteeing efficient results through the application of management principles and the integration with local institutions
2. Obtaining a multiplier effect on (economic) resources
3. Taking up some municipal activities, freeing up resources for other areas of intervention
4. Supporting Municipalities in rationalizing and recognizing sunk cost
5. Detecting social needs through an integrated approach
6. Promoting a homogeneous and recognizable vision and working method, whilst staying flexible
7. Being the point of reference and sole interlocutor for citizens and third actors
8. Nurturing an attitude towards innovation
9. Expanding activities and topics covered on a continuous basis
10. Involving citizens
11. Achieving economies of scale and keeping learning by doing
12. Hiring professional with strong skills and commitment

First, 'Guaranteeing efficient results through the application of management principles and the integration with local institutions'. Being an HO is recognized as a strong tensor towards an efficient and effective management of services and of human and economic resources. The governance model (consortium of municipalities) favors positive and constant relations within the geographic area and the pursuit of objectives able to go beyond the boundaries of single municipalities. Second, **'**obtaining a multiplier effect on (economic) resources'. ASC's ability to raise funds is well recognized and leverages on methods and opportunities that would be difficult for single municipalities, which lack human resources dedicated to fundraising and tenders' management. Over time, ASC has consolidated its ability to raise additional resources to finance extra - services and this created a positive effect for the whole community. Third, 'Taking up some municipal activities, freeing up resources for other areas of intervention'**.** Through the years, the delegation of some services to ASC, shifted also the organizational and managerial burden to the HO, allowing the Municipalities to allocate their human resources to other social services and areas of intervention and invest more on them. Fourth, **'**Supporting Municipalities in rationalizing and recognizing sunk costs'**.** Over time, the externalization of some activities to ASC led to the recognition of administrative activities that were previously 'hidden' in the daily tasks of public officials (e.g. reporting to the regional government). Thanks to the externalization, municipal professionals can now devote more time to service delivery and policy making. Further, **'**Detecting social needs through an integrated approach'**.** The inter-municipal territorial dimension and the specialization on different target beneficiaries enabled the investment in activities devoted to monitor social needs and detect emerging issues. ASC is like a sentinel operating for many municipalities. ASC also created stable working groups (similar to observatories) to discuss specific issues and guarantee to have a constant coordination between territories. Sixth, **'**Promoting a homogeneous and recognizable vision and working method, whilst staying flexible**'.** Over time, ASC has defined its own management and planning style which is now applied transversally to all services. This makes ASC a solid and credible interlocutor for others involved in social care service. Seventh, 'Being the point of reference and sole interlocutor for citizens and third actors'. By representing many Municipalities, ASC simplifies relations and constitutes a sort of "single point of access" for local welfare. 'Nurturing an attitude towards innovation' follows, as ASC professionals are oriented towards innovation. The managerial environment and investments in continuous training for professionals enable the focus on possible innovations to be implemented in services for traditional and new targets. Ninth and related, 'Expanding activities and topics covered on a continuous basis'**.** ASC innovation orientation means that there is a constant work of rethinking extant services with the logic of expanding and improving the offer. This affects both management methods and the ability to respond to needs. Tenth, 'Involving citizens'**.** As citizens are protagonists of services' design, ASC's working method pursues the idea of communitarian welfare by bringing individuals at the center of each process. 'Achieving economies of scale and keep learning by doing' relate to ASC's tendency towards aggregating activities and processes so to reach volumes enabling economies of scale and skills' accumulation. Last, 'Hiring professional with strong skills and commitment'**.** The investment in training and the creation of a sense of corporate belonging and organizational culture helped ASC in hiring and retaining professionals with solid skills in the welfare sector, also recognized by external subjects.

The last step of this phase was dedicated to the validation of the 'what' and the 'how' with ASC's stakeholders, including municipal shareholders; third sector organizations; local health authority and a large foundation. All these actors confirmed the set of elements identified by the management team, yet identifying four dominant dimensions of public value that are distinctive to ASC: Ensuring a proper use of public resources; Serving and reaching a higher number of beneficiaries; Favoring a spillover effect; Going beyond the mission of traditional social services.

Each actor identified additional dimensions of value (both for the 'what' and the 'how'): for example, municipal shareholders stressed how professionals in ASC have higher level of expertise, if compared to municipal workers; third sector organizations recognize ASC's positive influence on promoting economic sustainability in projects, which is seen as an enabler for initiatives' long-term survival. Interestingly, representatives from public shareholders rose a controversial point related to ASC, as they perceive the risk of delegating relevant political decisions on the HO, with poor room for control on policy implementation. As these suggestions were not recurrent or largely consistent with ASC's phrasing, the research team decided not to modify the previously described list.

Overall, both ASC's management and the HOs' stakeholders perceive the multi-dimensional nature of the value produced by the organization. This supports the need to evaluate HOs beyond a pure economic dimension and the complexity in identifying appropriate measures, which were the core of phase 2.

Phase 2: Measure shared categories

The objective of phase two was to give empirical support to evidence from Phase 1 through the combined analysis of archival documents and transcripts of all meetings previously conducted. Documents were analyzed with the aim of identifying data and information that could be used to substantiate ASC value dimensions (the what) and the operating features (the how). An initial selection of sources supporting each dimension was discussed between the first two authors, so to solve any controversial point and identify a final grid of qualitative and quantitative data sources relating to each dimension. Successively, the first author matched data with each 'what' and 'how' dimension, obtaining a comprehensive report. Such report was presented individually to four representatives of ASC's top management with a twofold objective. First, to validate data and the related sources; second, to enrich the analysis with comments and insight from those who manage the services on a daily basis. Following the interviews, each document was reviewed and subsequently re-validated by interviewees and presented to the whole team involved in the action research project. For each dimension of public value, we elaborated an illustrative table, as exemplified by Table 4.4 and 4.5, which includes the definition of each dimension and supporting measures to operationalize it.

Table 4.4. Example of definition of public value dimension and supporting data

Ensuring a proper use of financial resources	
Definition	Promote a managerial approach to ensure financial sustainability and an accountable use of public resources.
Measures	For the 2015-2019 timeframe: • Positive and stable net result • Sharp increase (+172%) of spending related to national and international fundraising, which widened the range of initiatives promoted by ASC.

Table 4.5. Example of definition of public value dimension and supporting data

Improving service quality and deliver more equitable solutions	
Definition	Ensure the delivery of services with the same quality and cost standards for citizens living in all Municipalities served.
Measures	Main remarks: • ASC aligned extant, fragmented functioning and access criteria to services in all Municipalities • ASC's ability to increase funding for services for Minors, in a national context of shrinking resources to the field

These examples are referred to both the economic mission of ASC (Table 4.4) and to its socially-oriented purpose (Table 4.5) and show quite clearly how these two souls of the HO require different metrics and approaches to be detected. The good use of financial resources can be easily verified through commonly agreed measures, such as the net result, or additional, more context-specific indicators (such as income from fundraising). On the contrary, indicators of social return are far from being validated in extant literature, requiring a more fine-grained work of integration between qualitative and quantitative information, which shall be informative for the context and grounded on a clear definition of value. The lack of social return indicators can result in the abandonment of the public mission in favor of activities devoted to economic sustainability, failing the purpose of the HO.

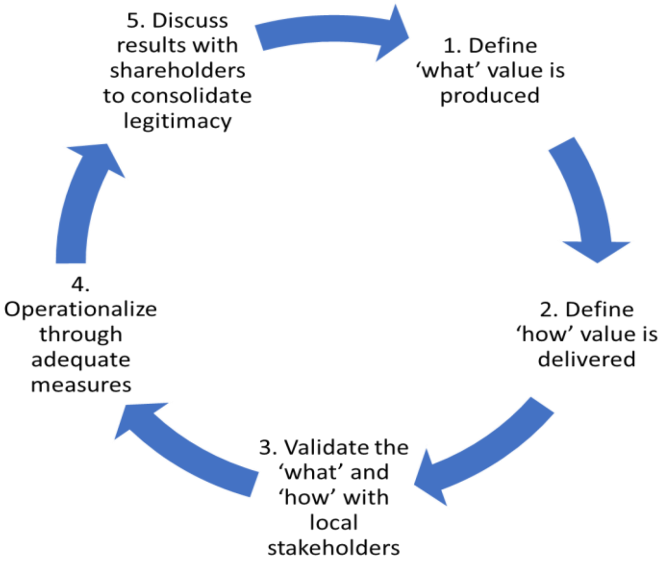
Though it is not at the core of this study, it is worth mentioning that all dimensions and related measures were eventually discussed with municipal shareholders (involving both politicians and managers). Such framework managed to reinforce ASC's legitimacy, as it showed the multi-dimensional nature of the value generated.

Discussion and Conclusion

In this chapter we explored how MOCs might develop a multi-dimensional framework to define and measure the public value they create in welfare service delivery. Based on our findings, we assert that MOCs' outcomes shall be collectively conceptualized by involving all relevant stakeholders, focusing on both economic and social figures, which can successively be operationalized based on multiple sources. Relatedly, we embrace the perspective claiming that there is no one-fits-all approach for performance evaluation in HOs (De Waele et al. 2021), yet advancing the public value framework as a suitable scheme to detect the multi-dimensional nature of HOs' activities.

To provide actionable insights for public managers and policy makers, we propose a process view approach to the development and discussion of a public value measurement scheme (Figure 4.1), based on the co-design with both the organization and its key stakeholders. Such approach can be tailored on the peculiarities of other contexts, favoring replicability.

Figure 4.1. A process view for the development and measurement of public value in HOs



The definition of commonly-agreed definitions of 'what' is the value produced by the HO for its community and 'how' it delivers it, required ASC to reflect on its core mission. Moreover, the successive validation of these definitions from ASC's core stakeholders reinforced the organization and its positioning in the local community, limiting the risk of self-referentiality. A further step was the operationalization of each dimension through qualitative and quantitative evidence, which provided substantial support to ASC's claim of delivering public value. The contextual presence of dimensions validated from key actors of the community and of solid figures legitimated ASC's rebuttal to the political claims over its actual '(in)convenience', providing policy makers with more accurate and fine-grained evaluations schemes for its activities (Grossi and Thomasson, 2015), beyond economic figures. Moreover, the work of conceptualization and measurement was crucial to overcome typical criticism on the elusiveness of the construct of public value (O'Flynn, 2007), providing relevant contribution for research in the field.

Our work also presents some warnings in relation to HOs: among the dimensions of value identified, we included the 'ability to solve crisis', which – as confirmed by ASC – relates to its capacity of solving critical societal issues that generate political turmoil. On the one hand, this capability allows for effective problem tackling; on the other, it might rise accountability issues (as noted among others by André, 2010; Vining and Weimer, 2017), as crucial political decisions are taken outside conventional *loci*, blurring the boundary between politics and policy.

The study presents some limitations: the reliance on a single case limits the generalizability of our results. Yet, as we focus on the process to develop a measurement scheme, we are confident that the approach we propose is flexible enough to be adapted to other contexts. Second, we miss the users' perspective, which is a key source for co-design processes: nonetheless, the limitations imposed by the pandemic sharply affected our data collection. We encourage future studies to further develop our work by bringing users and citizens' perspective in and 'testing' the process also in other welfare contexts. Third, we are lacking a comparison between the public value generated from ASC and other forms of delivery (e.g., in house providing, contracting out to the third sector), as nearly all services had been transferred to the MOC. Future research in more complex contexts could extend our process-based approach to MOCs and other forms of delivery contextually.

As HOs are key players of modern welfare systems, academics and practitioners shall join their forces to develop adequate tools to support value creation. We hope that our work can fruitfully contribute to this process.

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