

A decision making framework for the governance of shared services in the Local Public Administration

Authors:

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Abstract2

Introduction2

International state-of-the-art4

Research questions6

Framework6

 Start up: external elements7

 Start up: internal elements8

 Management.....8

Research Methodology9

 Research focus9

 Geographical focus.....9

 Methodology description.....9

Research results11

Implications and conclusions12

References.....13

Abstract

The research aims at contributing to the body of knowledge referred to Public Administrations cooperation. In particular, the research is focused on Local Public Administration (LPA), intensely influenced by the global economic crisis. The study regards to how LPAs could reach more efficiency and effectiveness in providing services to its final users (citizen, companies and other PAs), as well as provide new services, especially on the cooperation among LPAs, called inter-LPA co-operation (ILPAC). Analysing LPA paradigm, it is possible to isolate some relevant trends characterizing LPA and some open scientific literature gaps about ILPAC: nowadays, in ILPAC phenomenon, some weak points can be highlighted, especially in start-up and in management phases. Consequently, the research has inquired the reasons that lead to activate an ILPAC and develop a decision making framework for the governance of shared functions in the LPA. It has mainly focused on the identification of LPA environmental reasons and LPA proper characteristics pushing LPA to activate an ILPAC of its fundamental functions. Once identified these elements, it has tried to identify the organizational and managerial configurations adopted for ILPAC to manage shared functions. The research methodology started out with a quantitative approach, aimed at collecting LPA territorial context, exogenous and endogenous information, and analysing the impact that these elements have on the ILPAC start-up and configuration. In particular, survey method has been applied to explore the presented paradigm. Both case studies and action research have been chosen: the first ones have inquired the organization that make an ILPAC operational and to study its relevant drivers, while the second one has inquired the dynamics characterizing an ILPAC start-up. Preliminary results have allowed the identification of the most influencing factors enabling the development of ILPAC, that are, on one hand, the macro framework where local administrations are set (territorial geography, multilevel governance, collaboration propensity and stakeholders involvement) and, on the other hand, the internal framework (municipal policies, local economy and administrative organization). Besides, these characteristics and the measured performances have been compared with the administrative practices in non-cooperative contexts. The paper intends to contribute to the body of knowledge about the LPAs' shared function management, proposing a decision making framework able to feed both the research and the practitioners' managerial tools.

Introduction

The Public Administration (PA) is going through a crisis, motivated by worldwide economy conditions and by the role played by public policies in determining the competitiveness of a country, as World Bank has asserted several times. In this already compromised context, in which it is possible to find both a chase for efficiency, view as a lever to recover competitiveness, and an increasing efficiency demand, it is becoming important to identify managerial and organizational models enabling the match of both the demands (Peters, Pierre and Randma-Liiv, 2011). Nowadays, people demand better public services, however, to win this competition, the case for public services needs to be made in terms of values and outcomes rather than particular forms of service delivery (Building Better Partnerships: IPPR, 2001, p. 15).

Therefore, the research is focused on PA, in particular on Local Public Administration (LPA). This choice is motivated, on the one hand, by the fact that already exists an extensive literature about Central Public Administration (CPA) and its policies, on the other hand, by the fact that LPA has a relevant impact from the point of view of public expenditure, (for example, in Italy, only talking about Municipalities, has a value of 52 billion Euro); in addition to that, LPA has more contacts

with PA customers (citizens and firms) in general. For these reasons, in particular, the research is focused on LPA public services management.

Currently, there is a general increase of LPA needs, in terms of coping with lack of own resources (economic, human, etc.) and now access to not-own resources constituting one of the principal checks to development; bargaining power of the municipalities in **negotiations** with other institutions and suppliers and taking a **long-term view** in seeking right ones (Corbett & Smith, 2006; Gentry & Fernandez, 1997; Jefferies et al., 2002; Jefferies, 2006; Li et al., 2005; Qiao et al., 2001; Zhang, 2005), often all that puts LPAs in an unfavourable situation, where they could be victim of opportunistic behaviours on the part of private or public subjects; making **investments** otherwise not possible by individual municipalities (Bennett 1990; Hughes 2003); achieving innovation processes able to make the performance of activities **more effective and efficient** and enable the delivery of **new services** (Hulst and Van Montfort, 2007), coherently with customers' needs and in line with market standards.

Starting from this paradigm, outlined both in general terms of market and in distinctive terms of LPA needs, the research is aimed at investigating new managerial and organizational tools in managing public services supplied by LPA. So, as solution to cope with the present situation, it has been found the shared service management, through a structure called Inter-Local Public Administration Cooperation (ILPAC). According to Hulst and Montfort, (2007) it is *"a form of institutionalized interaction between LPA (that may extend to other public or private actors) concerning a common task or goal that does not result in a completely independent agency or corporation"*. Far-back this phenomenon is widespread on several European countries. For example, in Italy, focus context of this research and symptomatic of European context, ILPAC is widespread for more than a decade, that is since Municipalities Unions has been introduced in the body of law regulating Local Authorities (in Italian: "Testo unico delle leggi sull'ordinamento degli Enti Locali"¹) (Legislative Decree no. 267/2000). Widespread for a longer time, instead, are territorial associations in a mountain region (in Italian: Comunità Montane), ILPAC forms existing for over forty years. In addition, and in partial explanation of this spread, ILPAC different forms have been incentivized by public funding. By reason of recent normative evolutions, in Italy it is possible to notice that the setting is going to change, moving from a funded share service management to a compulsory one (Decree-Law no. 95/2012). Nowadays, in Italy 3,404 Municipalities, upon the total amount of 8,092 (and upon the whole of 5,693 talking about Municipalities with less than 5,000 inhabitants, that is those ones more involved in recent normative evolutions) manage functions together through 1,619 ILPACs (ANCITEL, 2012). Concretely, LPAs could interact among them, defining joint management modalities about their functions² lifecycle and identifying new organizational set-ups in terms of responsibilities and governance sharing among LPAs, as well as a joint employ of resources. So, the research is focused on studying cooperation among LPAs, as a managerial and organizational lever, in order to recover efficiency and increase efficacy in supplying LPA characterizing public services, but also an opportunity to access supply of new services. Moving from the study of factors enabling LPA co-operations, the research is aimed at identifying ILPAC adopted management models.

¹ www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.legislativo:2000-08-18;267!vig=

² For the sake of argument, this is just a subset of fundamental functions of Italian Municipalities (D. L. 95/2012):

- a) Administration general organization, financial, account and control management;
- b) General interest public services management in council area, including public transports services;
- c) Civil defence planning and first aid coordination in council area;
- d) Local police and local administrative police.

For all the functions list, see: <http://www.governo.it/backoffice/allegati/68648-7830.pdf>

Finally, the paper is addressed to return information and instruments set useful to policy maker in order to make decisions about choosing LPA cooperation and its accomplishment operative modalities.

International state-of-the-art

According to the paradigm characterizing the LPA, it is possible to find in literature some elements useful to describe the international state-of-the-art. Talking about Europe, Hulst and Montfort (2007) suggest these four principal trends meeting LPA increasing needs:

1. In Northern Europe, different countries, engaged in large-scale merger projects, have created **municipalities of considerable size**. Basically, they are fusions among LPAs, so creating bigger LPAs that could have, for example, more bargaining power with other organizations, more means, more access to expertise etc.;
2. Different pressures, limiting the operational scope and autonomy of Local Government, have brought about **redistributing responsibilities among different government levels**, in particular a redistribution from lower government level to upper one, coherently with LPA shown difficulties;
3. **Involvement of large privately and publicly owned companies** and organizations in the fulfilment of public tasks, in reference to Public Private Partnership (PPP) paradigm (Hood, 1991; 1995; Olson et al., 1998; Broadbent, Gill and Laughlin, 2003) that provides for private subjects' involvement. One form of this policy of liberalisation is in the way public services are produced and delivered to the public. PPPs open up the possibility for the provision of public services, not only to come exclusively from organisations owned and controlled by the public sector, but also from both public and private sectors in partnership, with the possibility of combining the investment capacities of public and private sectors, decreasing risks sharing out it among different subjects, accessing better services etc.;
4. **Inter-LPA cooperation** has been determined by rising scales of production and mobility and growing market pressures.

By the way, the first point could be configured as the last step of a shared service management lifecycle (Éupolis Lombardia, 2012), so it is interesting to study depth down which factors leading to shared service management and which are its management models. The second point concerns research areas that lend themselves to be read having recourse to the body of knowledge of sociological and historical institutionalism (Hulst, Van Montfort, Haveri, Airaksinen and Kelly, 2009). The third point concerns a research area intensively studied, both from the point of view of private and public sectors, but it is not so homogeneously diffused across Europe, in particular from PA point of view, for different reasons: regulatory (Baker, 2003), political (Newberry and Pallot, 2003) and fiscal (Heald, 2003) aspects. The fourth point concerns a rising phenomenon, in some cases mandatory (for example in Italy), poorly studied in literature and deserving of being deepened (Becker et al., 2009): so, as said, my research will be focused on it.

Nowadays, in ILPAC phenomenon it is possible to find some weak points in start-up phase and in management one, but neither the phenomenon nor its weak points have been deeply studied. The experiences of start-up of ILPAC have shown that the transition from one phase of general interest in the collaborative solutions to a specific activation of processes of institutional change and organizational structure is strongly influenced by the availability of a structured set of knowledge that enables to project and manage the establishment and operational launch of ILPAC and support the enlargement of the consent and involvement of those political actors and organizational responsibilities that strongly influence the paths of change. In addition, in several European countries, inter-LPA cooperation has been the result of persuasion and incentives to

induce local government to co-operate, and legal requirements to facilitate the transfer of responsibilities to a joint body (Norton, 1994; Airaksinen and Haveri, 2003; Hulst and Van Montfort, 2007). These considerations about weak points and activation trigger of shared service management led to point out a vision which is not consistent with an LPA strategic vision, that is a short-mid-term perspective.

In brief, having analysed nine European countries (Belgium, Germany, Italy, Finland, France, the Netherlands, Spain, Switzerland and the United Kingdom), it stands to reason there is not an international standard in terms of ILPAC models (administrative, organizational, managerial etc.); there are environmental and country-specific implications influencing shared function configurations; the regulation impacts on ILPAC, in terms of form, quality and sustainability of the shared services management and there are not decision making frameworks for the policy makers aimed at elaborating ILPAC strategies (Hulst, Van Montfort, Haveri, Airaksinen and Kelly, 2009; Lo Iacono, Giglio, Jachimowicz, Di Martino and Baroni, 2011).

In regard with ILPAC managerial and organizational aspects, it is possible to relate to the literature referring to Shared Service Centre (SSC) model: SSC is a particular type of sourcing arrangement where resources and services are retained in-house. Generally, a SSC is a separate and accountable semi-autonomous unit within an (inter)organizational entity, used to bundle activities and provide specific pre-defined services to the operational units within that (inter)organizational entity, on the basis of agreed conditions (Bergeron, 2003). SSC model originates in private sector, but it is suitable for the public sector, as in current practice each agency often develops and maintains its own systems and services (Grant, McKnight, Uruthirapathy and Brown, 2007). In literature this organizational model has been inquired contextualized to big organization, often within different Business Units of the same organization. So, there are not literature attestations about its application to LPA. SSC is a structure able to match suitably LPA needs, making operational an ILPAC by bundling the development, maintenance and use of services; the costs can be shared among the LPA, innovations out of reach might become feasible, and the saving obtained by this policy can be used to improve service levels without any of the agencies having to give up their autonomy (Joha and Janssen, 2011). The SSC can be seen as a particular kind of outsourcing arrangement among many clients and one vendor (Janssen and Wagenaar, 2004). It tries to combine the benefits from centralized and decentralized models of control and resources as well as the benefits from both in-house development and maintenance, and outsourcing (Janssen and Joha, 2004). After having described SSC characteristics, here there are the principal objectives leading to activate an SSC: (i) reduction of costs as a main goal (Quinn et al., 2000) in managing LPA services, constitution of an independent organization (Bergeron, 2003) that could be in charge of shared service management in behalf of different LPA, improvement of internal clients services level (Bergeron, 2003); (ii) alignment of the LPA service level to the private organizations one (Quinn et al., 2000); (iii) introduction of a business-oriented logic in PA (Schmidt, 1997). Obviously, this comes from a change management that is the result of consolidation of processes within an organization (Martín-Pérez and Berger, 2004; Wang and Wang, 2007).

Moving from the international paradigm to the Italian context, which is useful to study on the whole this phenomenon and identify which are the specific factors influencing ILPAC, it is necessary to provide some precise information about Italian ILPAC regulation (ANCITEL, 2012). In brief, the Decree-Law no. 95/2012 provides for Municipalities under 5,000 inhabitants (or under 3,000 inhabitants in some specific cases) having to manage shared service about their fundamental functions; if provided functions are about ICT, municipalities have to manage share services; each region picking out the optimal and homogeneous territorial dimension for each geographical area in order to make municipalities compulsorily managing shared service about

their fundamental functions according to effectiveness, cheapness, efficiency and expenditure reduction principles. Currently, in Italy it is possible to notice that the setting is going to change, moving from a funded share service management to a mandatory one.

There are different characteristics making the Italian territory the right context on which focus this research. In Italy there are 8,092 Municipalities and among those 5,693 have less than 5,000 inhabitants and these smaller ones are equally distributed on national territory, even if in Northern and in Southern Italy they are more numerous than in the central regions. In 40% cases, SSCs involve also municipalities having more than 5,000 inhabitants. In Italy that kind of LPA has an imminent obligation to manage at least three shared functions. Until now, without the obligation of shared services management, about 90% of the LPA that will comply is currently managing functions in a shared way. Today 95% of the ILPACs is focused on one function only. This phenomenon produces a high shared services management fragmentation: often municipalities participate to more than one ILPAC. Mainly, the collaborations concern few municipalities: half of these involve only two Municipalities and on average they involve about 19,000 inhabitants. In 80% cases, the SSC duration of the contractual formalization is of three years.

Research questions

RQ1. What drivers can support or, on the contrary, prevent an ILPAC start-up?

RQ2. How the start-up features of the ILPAC can condition management drivers and co-operation performances?

Framework

In order to fulfil the study objectives, in the following chapter the research framework is detailed, primarily to cover the gaps described above. This framework is divided into two macro-areas: (i) factors conditioning the ILPACs start-up, which imply both internal and external elements; (ii) mechanisms of preferences and management inside ILPAC, including performances analysis.

Case studies and surveys have been implemented according to the research framework drawn below.

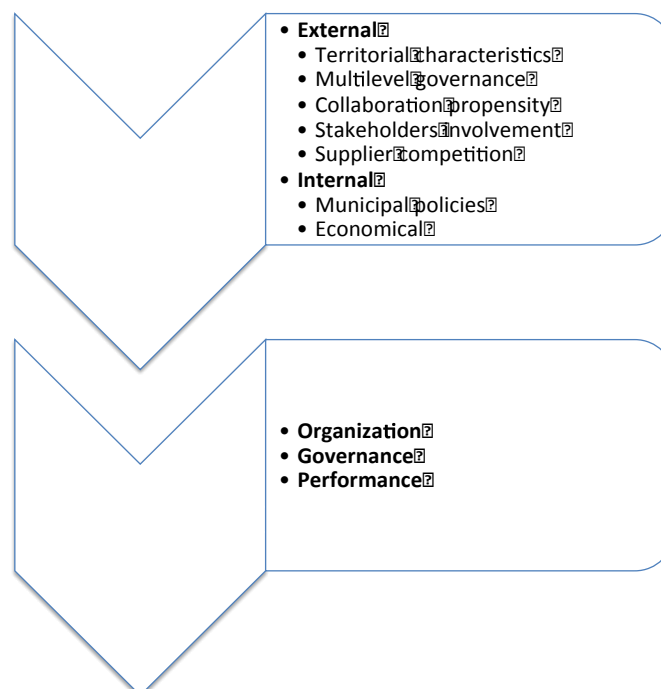


Figure 1 – Research framework

Start up: external elements

Territorial characteristics. Hulst and Van Montfort (2007) suggest these territorial variables influencing LPA cooperation: (i) society; (ii) economy; (iii) culture; (iv) demography and (v) technological development. As said in preliminary remarks, this research is focused on Italian context only, so no differential is considered for research objectives to analyse demography variable. In regard with society, economy and technological development variables, the model proposed by Kozma (2005) is used, crossing given different kind of development (Hulst and Van Montfort, 2007) and growth factors, which are measurable and so useful to quantify developments. The model and the survey instruments proposed by Tabellini (2010) is used to point out the territory culture. This author suggests four variables in order to measure the culture: (i) trust; (ii) control and (iii) respect, which have a positive meaning, and (iv) obedience, which has a negative meaning. Moving to **Upper level Government**, the impact of higher level Authorities policies on LPAs interest in managing shared service is analysed. In particular, these policies could be directed to: (i) ultimate LPA, that is the one subjected to shared service management (for example through direct funding, opportunity (for not received) funding and/or grant, employers incentive (e.g. efficiency dividend), training and awareness campaign, performance measurements (e.g. inter-LPA cooperation balance sheet...), guidelines and operative tools (e.g. scheme of: convention, resolution...)); (ii) intermediate LPA, so able to lead LPA to shared service management (for example through direct funding and training and awareness campaign); (iii) territory firms, so they could push into bringing out opportunities and benefits about shared service management (for example through funding to develop products and services meant for the inter-LPA cooperation market) and finally (iv) customers, influencing them in order to direct policy makers policies to shared service management (for example through awareness campaign in order to ask for better services and/or for services portfolio increase). In particular, this last strategy is used in Switzerland in order to promote municipalities fusions (Eupolis Lombardia, 2012). LPA **collaboration propensity** is useful to map the LPA collaboration history, as a proxy of the collaboration propensity in future occasions, but also is useful to understand if there is an ILPAC “typical” growth path, in terms of initial functions and growth plan of functions addition. LPA collaboration propensity will be analysed using a model coming from firms’ alliance literature (Colombo, 2003), applying it in a personalized way.

Stakeholders involvement. As described in literature review phase, it is one of the most ticklish and underrated (in start-up phase) elements of an ILPAC (Norton, 1994; Airaksinen and Haveri, 2003; Hulst and Van Montfort, 2007), therefore the following elements has been taken into account: (i) power, defined as the ability of those who possess power to bring about the outcomes they desire; (ii) legitimacy, that is a generalized perception or assumption that the actions of an entity are desirable, proper or appropriate within some socially constructed system of norms, values, beliefs and definitions. So, legitimacy depends largely on the perception of others, thus depends on the perception of the other stakeholders. The pursuit of legitimacy requires power, consequently the stakeholders with power are likely to pursue their legitimate claims in public whereas the stakeholders with little power may fail to get their legitimate requirements public and (iii) urgency, that means that the demand of stakeholders are calling for immediate actions or are pressing (Mitchell et al., 1997; Uusitalo and Rökman, 2004).

Supplier competition: the supplier market can be characterized by its degree of competitiveness, ranging from many potential suppliers (high competition) to few or perhaps only one potential supplier so as the number of potential suppliers decreases, the LPA’s leverage in negotiating with them declines, and its ability to benchmark their performance becomes hampered (Padovani and Young, 2008). If there is an active market, with a great number of suppliers, single LPA bargaining

power could be sufficient to operate alone with fulfilling results. Otherwise, LPA could increase its bargaining power through an ILPAC, getting together the demand coming from different Authorities.

Start up: internal elements

Municipal policies. The first one, strategic and organization, is referred to LPA strategic and organizational objectives (for example focus on core business, clear control and eliminate local and complicated control of functions, standardize processes, gain access to high quality services and skills, concentration of innovation and exploit new technology, share risks and disseminate and impose successful practices). The second one is referred to the political sphere, so it is about decision makers that could influence the choices (for example enhance credibility, solve internal conflicts and increase controllability). The last one is referred to **economical** aspects, directly or indirectly referred to monetary aspects (lower control and maintenance costs, accountability of control, control of costs (cost predictability), economies of scope and scale and reduction of overcapacity). If about the function under analysis the objectives above mentioned would be reached, the ILPAC choice seemed to be unavoidable.

Management

Organization is useful to point out the complexity of this structure and its work organization. It is measured in terms of: (i) size of the client organization is of importance, as an increased size will increase the complexity of the operation; (ii) complexity, defined as the variety of services and the multiplicity of exchanges between the business domain and SSC domain, influences the management structure and coordination efforts; (iii) vertical and occupational management structure, is about the different new and changed roles that should be allocated in order to optimize SSC organization respect the previous situation of single LPA and (iv) stability, is the coping strategy for the continuity of the relationship (Janssen and Joa, 2004). The third variable is referred to **governance**, that is ILPAC control configuration as for single LPA. According to Janssen and Joa (2011), there are three management models: (i) centralized, so-called when activities in an ILPAC are done by an LPA and by this provided on behalf of all the LPAs to customers (internal or external); (ii) decentralized: activities are shared out among different LPAs under the coordination of one; (iii) federated, when one LPA make activities and provide the output to others LPAs. In the last resort, it is necessary to point out SSC **performance** because this is useful to verify the existence of real benefits about ILPAC compared to the single LPA management, both as useful elements to support the decision about configuration and definition of the policies. In addition, it is a lever to promote ILPAC diffusion thanks the monitoring results diffusion, also in a benchmarking logic. There are two different categories of performance. The first one, concerning the relationship between LPA and SSC, is measured in terms of: (i) transaction costs (Williamson, 1975); customization: the relationship produces advantages on customization level; (iii) uncertainty reduction: the risk sharing among LPA and the perception that an organization, having high expertise and knowledge levels, is taking care of the services of an LPA, contributes to the perception of having low uncertainty and (iv) satisfaction: in particular the relationships arrangements, like account managers, user groups, regular benchmarking and so on, produces an higher satisfaction (Janssen & Joa, 2004). The second, referred to provisioning, is measured in terms: (i) quality (Jamali, 2007); (ii) cost (Baldwin et al., 2001; Janssen and Wagenaar, 2004); (iii) new services and (iv) integrity, transparency and accountability (Armstrong, 2005).

Research Methodology

Research focus

This framework could be considered too wide, so it has been necessary to test the framework in a circumscribed field. There are a significant number of functions managed by an LPA and each one has a peculiar impact on a part of the framework. ICT function has been chosen firstly because it is clearly a crucial topic in the development of public sector competitiveness (Treasury Board of Canada, 1994; World Bank, 2003), and in addition to that it has become mandatory in some countries since a few years (e.g. in Italy: art. 19, D.L. 95/2012). Besides, it is a theme that could be transversal to many other functions. It might be defined “infrastructural”, that is it could be the foundation for any other service. LPAs, especially the smaller ones, have spread difficulties to access to adequate competences and have to demand support. Often, ICT field needs low investments and the investments done could be valued thanks to the possibility of investment conversion. It is quite easy to achieve economies of scale and scope in case of acquisition and utilization of ICT applications and infrastructures. Talking about my choice of ICT function, it is important to remember what Colombo (2003) suggests about firms alliance research field, since there are different presuppositions making it applicable to LPA alliance, that is that technological alliances have more success possibilities than other ones, also in terms of learning transfer. So, there are more possibilities to have more numbers of case studies, both failure and success cases. Hulst and Van Montfort (2007) suggest that a rapid introduction of ICT in LPA may both increase the need for cooperation (to create sufficient production scale) and improve the quality of service delivery. That makes possible to gap the weak points characterizing the framework and increase the collaboration among LAPs: in this way it will be possible to increase all positive effects produced by inter-LPA cooperation.

Geographical focus

The research is focused on the Italian context. In Italy there are different forms of ILPAC: Municipalities Unions (Unioni di Comuni), Territorial Associations in a Mountain Region (Comunità Montane), Islands and Archipelago Communities (Comunità Isolane o di Archipelago), Consortiums (Consorzi), Covenants (Convenzioni), Schedule Agreements (Accordi di Programma). In addition, there are two other particular forms, with different administrative and judicial characteristics, called Territorial Service Centre (Centro Servizi Territoriale - CST) and Innovation Local Alliance (Alleanze Locali per l'Innovazione - ALI), that are the Italian inter-municipal authorities dealing with the digitization and the innovation of the Public Sector.

Methodology description

The unit of analysis is the single LPA. In fact, the aim corresponds to study which are internal and external reasons leading LPA, in the ecosystem of the actors that there are around it, to activate shared services managements, as well as SSC impacts on a LPA.

Because of the complexity of the studied phenomenon, both quantitative and qualitative methodology approach have been used. Two phases of the inquiry were set: at the first stage, thought a quantitative approach, general information regarding to start-up drivers, governance of co-operation, economic funding and problems occurred has been gathered from the respondents; subsequently, as qualitative approach, case studies have been identified in order to deepen the analysis of the start-up peculiarities, especially about the roles of the actors, the mechanisms they exploited and the resources they managed.

In order to substantiate the theoretical approach and collect primary data, the inquiry has been focused on the CST.

Quantitative methodology approach

The quantitative methodology approach has been the survey methodology that is an accurate instrument for gathering qualitative or numeric information in a wide group of subjects (Forza, 2002).

Totally, there has been one questionnaire sent in January 2013, with a series of two re-calls. The interlocutors has been LPA top managerial roles (General Manager or Secretary of the Local Authority, often these two figures are the same) both belonging and not to an ILPAC. In the first case, they have been picked out by ILPAC formalization official documents or, rather, by structural data indication and transmission from other kind of upper level organizations responsible in ILPAC coordination and control, they are: Regions, ANCI, Agency of Digital Italy etc... In the second case, it is possible to argue in a specular way about LPA that don't manage in shared way functions.

The total amount of the CST, corresponding to thirty subjects, have been totally involved in the inquiry. The ILPAC who responded covers about 2,2 million of inhabitants, that correspond to the 22% of Italian citizens living in municipalities with less than 5,000 inhabitants. .

In addition, the sample has been built to fair represent the Italian geographic context (North-West, North-East, Centre, South and Islands), as proposed by ANCITEL (2012).

The data gathering has been done with a web survey for the LPA, sent by e-mail to ILPAC contact persons. Before the data collection I have pre-tested questionnaires. As Forza (2002) argues, I have proposed the tool to target respondents but also to the colleagues, that were able to test whether the questionnaire accomplishes the study objectives. After this phase, a redefinition of the survey has been done. In addition, the first despatch was considered as a pilot in whom the questionnaire and the all framework have been tested. After the pilot, I have defined the final survey that has been clearer and more precise.

The data analysis was processed with statistic tools. In particular, descriptive analysis has been used in order to obtain a quantitative synthesis of principal outcomes about collected data.

Qualitative methodology approach

In particular, the Case Study Research Methodology has been used, applicable when the boundary between the context and phenomenon is not clear and there are multiple sources of evidence (Yin, 1984). In this sense Yin (1994) sustains that the starting point for Case Study Research is the research framework and the research questions, but also Miles and Huberman (1994) affirm that in theory building research it is necessary to have a prior view of the general constructs or categories that are object of the analysis, and their relationships. The complexities of the issues, the restricted knowledge about the SSC phenomenon, some difficulties in operationalize the variables and the type of research question confirm the adoption of case study research methodology. In this sense Meredith (1998) cites three outstanding strengths of this methodology: (i) the phenomenon can be studied in its natural setting; meaningful and relevant theory can be generated from the understanding gained through the observation of actual practice; (ii) the case study method allows the questions of why, what and how, to be answered with a relatively full understanding of the nature and complexity of the complete phenomenon and (iii) the case study method lends itself to early, exploratory investigations where the variables are still unknown and the phenomenon are not at all understood.

This methodological approach has been useful to describe how an SSC could activate a shared service management in case of ICT function. It has also been used for making an explorative

research about not ICT functions managed by SSC. That have made possible to acquire useful information, but also extend and validate the research framework in its broader sense, so referred to the management of all LPAs fundamental functions.

According to Yin (2003), hereinafter there are some indications about the cases construction.

I have used a holistic approach (single unit of analysis) for multiple case studies designs. This approach could let, in heterogeneity logic, point out a great deal of elements, enhancing the body of knowledge. The methods has been: face to face interviews (the favourite one), in particular they has been semi-standardized interviews, in order to detect the undertones of above mentioned heterogeneity, observation, internal LPA documents and also official documents and archival data. The interlocutors has been the top managerial role (General Manager or Secretary of the Local Authority, often these two figures are the same). After having collected data, there has been summarized collected data, interviews analysis, and triangulation with other data, in order to increase the external validity and, finally, interpretation. The cases has been consistent with quality standards: credibility, transferability, dependability and confirmability.

Totally have been done, coherently with the methodology described above, four case studies, which represent, according to the results of the quantitative analysis, the most performing ILPACs. Has been chosen to analyse that kind of cases in order to better understand the triggering factors that led into the present co-operation.

Research results

The study has shown some interesting outlooks about the configuration of the inter-municipal forms of co-operation: first of all, municipalities sign free agreement frameworks to access to a CST and the duration of the contract is different among the existing CSTs; similarly, these members may leave the association without any fine. At the organizational point of view, the ILPACs are governed by a council of the associating mayors who establish a managing board formed generally by five members and sometimes appoint a technical director too. Problems refer to the governance field and particularly to a scarce attitude of villages in actively joining the ILPAC: relations between municipalities are strictly regulated by formal meetings in the mayors' council.

However, in the far majority of the cases, those municipalities who have taken part to CST are satisfied about the services the Local Authority has designed and implemented. Municipalities point out some difficulties they face in every-day administration, especially in finding economic resources, supporting smaller municipalities about technical skills and managing accounting operations: costs of the services provided by CSTs has grown 50% in the last two years. Although the funding system is largely based on fees paid by every single municipality according to the inhabitants, in some Regions the National Government is still sharing in a short percentage of the expenditures. Except for the ILPACs in Region Marche where CSTs are in charge not only of ICT functions, but rather they cover multiple sectors like urban planning, in the other contexts municipalities do not delegate further jurisdictions to any kind of associations.

Generally municipalities greatly increase their efficiency when they choose to join an ILPAC in the ICT sector. The most effective example is represented by the digitization of the one-stop-shop operated by a CST, where the time spent by public officers is less than one fourth of the effort in towns where less than 5,000 citizens live. At inter-municipal one-stop-shops the percentage of dossier sent by digitized platforms instead of those delivered at desks is higher and some CSTs has recently developed multichannel forms to pay taxes at the digitized office. Even the formal accuracy of the forms filled by enterprises is better if municipalities work together.

The followed interviews showed that in no case the driver of the co-operation regarded to either technological infrastructures or economic benefits, but involved the compliance and the corresponding governance of the new regulations. In the last decade laws concerning simplification and digitization of the public sector have rapidly came in succession requiring even more efficiency to local authorities; in some cases small municipalities have taken this constraint as an opportunity to re-organize together their offices. In order to fulfil this target, the role of ICT has become crucial to combine documents and data which were unframed and split between the single municipalities before the start of the association.

Implications and conclusions

This article has attempted to set up a theoretical framework to answer to the research questions regarding to what drivers can support or, on the contrary, prevent an ILPAC start-up and how the start-up features of the ILPAC can condition management drivers and performances of co-operation: this framework consists of two macro-areas corresponding to factors conditioning the ILPACs start-up and mechanisms of preferences and management inside ILPAC. The first area can be furtherly divided into internal and external elements that are, on one hand, the municipal policies implemented by the members of the ILPAC and, on the other hand, the territorial characteristics where ILPAC insists.

The theoretical approach has been tested in the Italian context on one particular function ILPACs can associate: ICT. A survey has been submitted to CST, followed by semi-structured interviews to the four most performing CSTs.

Primary results tell that driver of the co-operation in ILPACs regards to the compliance and the corresponding governance of the new regulations which have rapidly came in succession requiring such a level of efficiency and effectiveness that ILPACs can ensure for the smallest municipalities only; ICT has become crucial to start an association in order to share data among the members and re-organize offices. Although municipalities underline their satisfaction to have taken part to the ILPAC, there still exist criticalities to find appropriate economic resources during the first phase of co-operation.

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