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## Integrating Social Responsibility of Business, Civil Society and Government: New Perspectives on Measuring Public Value

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**INTEGRATING SOCIAL RESPONSIBILITY OF BUSINESS, CIVIL  
SOCIETY AND GOVERNMENT: NEW PERSPECTIVES ON MEASURING  
PUBLIC VALUE**

*Creating Public Value in a Multi-Sector, Shared-Power World*  
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# **INTEGRATING SOCIAL RESPONSIBILITY OF BUSINESS, CIVIL SOCIETY AND GOVERNMENT: NEW PERSPECTIVES ON MEASURING PUBLIC VALUE**

## **ABSTRACT**

The last two decades have witnessed a significant rethinking of what governance means and how government should be responsible in the pursuit of the public interest.

In many countries in the world the new forces of contracting out and devolution are affecting the relationship between business, civil society and government. These forces converge around the devolving of authority and responsibility downward from the national government to local governments and ultimately to private sector organizations. Also the achieving of major public purposes by nonprofit organizations has been associated with a rising tide of interest in how to build or maintain an active civic sector in local communities (Barber, 1998).

In spite of the shifting roles and responsibilities of business and governments towards societal problems, a need of increased governance of cross-sector collaborations arises considering the different range of interests of the various actors involved (Bryson et al., 2006). Specific interests can be firstly converged into policies, choices and solutions acceptable for the actors involved and at the same time sustainable on the economic, social and environmental dimensions.

Although the main issue here concerns whether self-interested private actors will pursue public interest on a voluntary basis or whether they will do so only under government arrangements or incentives, it is no doubt that the creation of public value should be identified across boundaries of public and private sector organisations.

Likewise, the process of public value creation should be integrated into government

decision-making. Although Moore (2003) and other scholars have focused on strategic performance measurement and public value creation there have been relatively few attempts to design performance measurement in cross-sector networks in order to provide information in a form which will readily assist business and civil society in understanding and evaluating their role in creating public value.

Starting from the perspective of public governance, the paper aims to offer a set of preliminary answers to the question of how governments themselves should shape the policy making, performance measurement and reporting in order to facilitate interaction with nonprofit organizations and responsible business practices.

This paper describes a research project based on a case study that has involved a regional government in Italy. The reasons for choosing the regional government are several. Firstly, the process of devolution in Italy is on going and regions are asked to set their own policy and strategy on a large number of topics. While previously regions were simply asked to implement national policies they are today more and more autonomous. Secondly, Regions are levels of government as close to citizens as municipalities. Regions act mainly as re-distributors of resources and, as a result, they are more likely to be sensible to accountability since their performance is related to the effective collaboration of other local public authorities and private local actors. Following a brief discussion about the 'public value' in a context of public-private socially responsible partnerships the paper develop a conceptual model in order to map social responsibility in a multi-sector context and across government layers.

The framework has been applied to the Regional Government of Veneto (5 million residents) and it has been translated into a quantitative scheme by collecting data on outcome and resources involved by public and private organisations. The author of this paper acted as main facilitator for the cross-sector measurement and reporting

over a period of five years. Furthermore, a multi-stakeholder engagement process was carried out. Research findings lie around two intertwined issues based on a set of data which has been generated: i) How public value is or is not created along a complex chain of public and private actors; ii) Which kind of measurement systems helps government policy making to embed the changing role of business in society and to pursue private-public collaboration. Implications for public management and governance are also analyzed.

**Keywords**

public value, measurement & reporting, public-private partnerships, corporate social responsibility