



Delft University of Technology

Navigating value systems in urban PPP projects

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PM CONGRESS 2019

RESEARCH MEETS PRACTICE:
TOWARDS PROJECT MANAGEMENT 3.0



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REFLECTIONS ON THE PM CONGRESS 2019:

RESEARCH MEETS PRACTICE: TOWARDS PROJECT MANAGEMENT 3.0

Delft University of Technology, the International Project Management and the Project Management Institute (PMI) Netherlands Chapter were delighted to host the international Project Management Congress "ADAPT or DIE" on Thursday 11 April and Friday 12 April 2019.

The Project Management Congress 2019 revolved around the theme of 'Research Meets Practice'. A Congress is about 'walking together', and there was indeed a lot of walking (and not just talking) together over the two days of the PM Congress.

There was a rich array of activities planned, including keynote presentations that got participants to reflect on the importance of people, knowledge, and innovating through projects, workshops on promising practices, conversations about story-telling, discussions about a future research agenda, and a packed programme of cutting-edge research presentations in the field of project management.

Collaboration and engagement between researchers and practitioners form the key thrust in the deliberations during the PM Congress.

There is more still that can be (and needs to be) done. The opening keynotes pushed participants to think about ways in which we can move beyond the boundaries of academic research and industry practice, and to find new and simple ways of translating complex theoretical models into practicable outcomes, not just on how to do projects but more crucially also on how to build effective project teams.

To create and sustain a thriving community of practitioners in project management, there is a need to move away from our silos and reach out across organisations and between disciplines. As the congress theme highlights, adapt to this clarion call to build critical friendships for exploring intersections between theory and practice or risk a dying profession.

The PM Congress 2019 is definitely a starting point for this ongoing adaptation and transformation in the field of project management.



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Navigating value systems in urban PPP projects

Keywords: public private partnerships, project governance, value system, value dilemma, copings, case study

Purpose: Identify (a) tensions between the different logics of the public, private and societal organizations involved in public service delivery in the supply chain of an urban area project and (b) different resources (administrative and otherwise) that are consciously or unconsciously deployed to cope with value conflicts.

Scope: Dutch Construction sector

Conclusion: Public clients often regress to old patterns in balancing multiple value systems.

More informal ways of organising were only found as addition to the existing formal systems, preventing sustainable organisational maturing in handling the multi-level challenge of managing often conflicting interests of internal and external institution

Navigating value systems in urban PPP projects

Abstract

Today's societal challenges increasingly ask for collaborations of public, private and societal parties to achieve public goals through public service delivery projects. In these PPPs project managers have to align the interests of the permanent parent organization with the interests of the temporary project organization. Especially in urban area development projects a network of multiple internal and external actors creates a situation in which public construction client organizations must cope with different logics in, often conflicting, value systems. They are challenged to balance values related to their legal obligations, such as reliability and equity, and the increasingly important values related both product and process innovation. We use an in-depth case study to identify the main tensions that are present between the different logics of the public, private and societal organizations involved in the delivery of public goods and services in the supply chain of an urban area project. And identify different resources (administrative and otherwise) that are consciously or unconsciously deployed to cope with value conflicts. The fieldwork was conducted between June 2017 and December 2018 and consisted of interviews, observations and document analysis. Using public value process

mapping, we followed both top-down and bottom-up strategy alignment practices. Findings show that the particularly participatory context displays a mixture of three logics; 1) the logic of the public commissioning organization, 2) the logic of residents organized in a panel and 3) the business logics of local suppliers organized in a tender pool. We identified various collective or individual, formal or informal, or defensive or active strategic responses to these conflicting values systems. Results of the study will increase the awareness of project managers on steering public values within the public domain and can be used to explicate the pallet of safeguarding mechanisms that are applied in construction projects.

Keywords: public private partnerships, project governance, value system, value dilemma, copings, case study

Introduction

Today's societal challenges, such as growth of the population and cities, increasingly ask for collaborations of public and private parties to achieve changing public goals through public service delivery projects (Cornforth, 2003; Kuitert, Volker, & Hermans, 2018). Often public service delivery is used by public bodies to deliver and ensure public value as a part of their

social-political responsibility (Beck Jørgensen, 1999; Cornforth, 2003). In the construction industry we notice an increase in the number of public-private initiatives in which specific expertise from private market parties is paramount. Public bodies withdraw from direct delivery of construction activities themselves, separating regulatory and operational functions (Steenhuisen, Dicke, & De Bruijn, 2009). They then must rely on the capabilities of other firms to produce the much needed process and product innovations to adapt to changing external and internal goals and interests. This 'change' is facilitated by some degree of continuing cooperation between those concerned with the development of products, processes and designs (Miozzo & Dewick, 2004). And although Public Private Partnerships are most of the time formed around common project goals of private and public parties, different interests thus get involved (Lundin, Arvidsson, Brady, Ekstedt, & Midler, 2015). This is accompanied by an ongoing value shift in public value management of construction projects (Kuitert et al., 2018). Whereas procedural values related to lawfulness and the performance values of effectiveness and efficiency used to be most prominent in public construction projects, nowadays product values of innovation, sustainability and quality of services appear to be valued most.

Especially in recent years we see a growing percentage of integrated contracts in the construction industry, where public parties subcontract (outsources) at least a part of its responsibilities in respect to the built environment (Boyd & Chinyio, 2008). This makes client organizations more dependent of private parties and societal collaborative partners, each bringing in their own value pallet. In particular in urban area development there has been an increase in the use of participatory processes in order to enhance the many different interests involved in these complex and socially challenging projects (Miozzo & Dewick, 2004; Van der Steen, Hajer, Scherpenisse, Van Gerwen, & Kruitwagen, 2014). Next to this external hybridity, the internal hybridity of public client organizations also contributes to the challenge of balancing different value systems in public private collaborations necessary to facilitate the value shift that is needed to ensure changing external and internal goals and interests by public service delivery . This internal hybridity gets determined by the extend of constraining by political control, how organizations are funded and financed, and the extent to which organizations perform public and private tasks to achieve social or private goals (Besharov & Smith, 2014; Heres & Lasthuizen, 2012). This makes each public client organization more or less accountable to complex constellations of institutions and standards, including

constitutional law, other levels of government, the media and of course, citizens (Denhardt & Denhardt, 2000).

Consequently, in Public Private Partnerships (PPPs) project managers are challenged to align the interests (or value systems) of the permanent parent organization with the interests of the temporary project organization in order to achieve the public values that are required through, more often collaborative forms of, public service delivery (source). The use of projects by organizations has evolved from simply being a tactical tool—for example, to manufacture products and service—towards becoming a strategic vehicle to transform organizations (Biesenthal & Wilden, 2014). Proponents of public private partnering emphasize the ability of private market parties to deliver services more efficiently, where opponents complain about the reduction of ‘governments’ ability to adapt to changing needs’ due to the long-term contracts (Ross & Yan, 2015). This lack of flexibility to act upon the anticipated changes in value needs is predominantly determined by the administrative system in which public construction clients operate, and common contractual governance mechanisms in particular (Kuitert et al., 2018). We often notice public partners regressing to old patterns when things become tense (e.g. time pressure). Especially in complex urban area development public

commissioning organizations often opt for a rigid and uniform design that is not very flexible (Miozzo & Dewick, 2004). This effect increases because within the public parent organizations, at different levels (strategic, tactic, operational) formal institutions – such as laws and regulations - or informal institutions – e.g. unwritten rules, habits and working practices - are of influence. This introduces many restrictions to value management activities in the context of PPP projects, asking for a client organization that is both in control and facilitating.

The purpose of, and necessity for, balancing the different value systems of the public organization and the internal (departments, politics and public sphere) and external (private market and society) institutions in which their practices are embedded, is the creation and maintenance of sustainable value for the organization and its stakeholders, or in other words safeguarding public values (Too & Weaver, 2014). Despite this common awareness of the existence of institutional pluralism, there has to date been little apparent effort to systematically assess its practical and theoretical implications (Kraatz & Block, 2008). There is little understanding of how organizations typically adapt to these challenges and opportunities in a structural, political, symbolical or rhetorical way (Kraatz & Block, 2008).

And although it has been recognized that without a governance structure, an organization runs the risk of conflicts and inconsistencies between various means of achieving organizational goals, little research has been done into the allocation, prioritization and facilitation of organizational resources (Oliver, 1991). In a context where it is apparent that trade-offs in the delivery of public services and goods need to be made.

Henceforward, in this paper we aim to identify the main tensions that are present between the different logics of the public, private and societal organizations involved in the delivery of public goods and services in the supply chain of an urban area project. We study the multi-level challenge of strategy alignment through project governance and we look at different practices and resources, administrative and otherwise, of public and/or semi-public construction client organizations. We especially look into strategy alignment practices of a public client organization between the project organization and the permanent line organization, using an in-depth case study of a project in which a municipality in the West of the Netherlands strive towards the redevelopment of a square into a city park, where next to physical adjustments, social return is high on the agenda. What is particularly important in relation to the institutional pluralism perspective of this paper is the participatory

development of this project. The participation is twofold; both participation with residents and local businesses. We will particularly focus on the formal and informal copings between different internal departments and levels in the public parent organization and between the parent organization and external institutions involved in the project organization, such as the resident panel and the business pool. As data collection is still ongoing, the paper presents the preliminary results of observations, interviews and document analysis.

The paper proceeds as follows. We first elaborate on the importance of the commissioning role in networks of internal and external institutions. Next, we discuss the project governance concept in relation to balancing organizational and project objectives. To complete our theoretical framework we discuss different types and deployment levels of managerial responses to value conflicts. We then describe our research approach which involved public value process mapping utilizing and in-depth case study. The findings first present how multiple institutional logics cause conflicts between inter- and intra-organizations and then show how 'new' coping mechanisms and patterns are supported by formal 'old fashioned' copings. Based on these findings we conclude that although public clients try to find ways to balance multiple value systems in the necessary public private collaborations in delivering

public goods and services, in practice we see the public client often regress to old patterns.

More informal ways of organizing were only found as addition to the existing formal systems, preventing sustainable organizational maturing in handling the multi-level challenge of managing often conflicting interests of internal and external institutions. We should therefore expand our knowledge on combining 'old' and 'new' managerial responses to value conflicts in safeguarding public values.

Theoretical Background

The role of the client in projects

To cope with new challenges, such as the demand for enhanced quality and adaptability, the need for product and process innovations, public bodies have to innovate and mature both internally and in relation to other institutions (Cornforth, 2003; Miozzo & Dewick, 2004). For this internal and external organizational development the commissioning role is particularly interesting to look into. According to the OECD, a construction client "is a natural or legal person for whom a structure is constructed, or alternatively the person or organization that took the initiative of the construction" (Eurostat, 2013). As in this research, the context is

formed by the collaborative public service delivery, the relationship between public client and its collaborating environmental institutions is central. We look at commissioning as the way a public organization, in relation to its responsibilities in the built environment, shapes and implements its interaction with the supply market, both externally and internally (Hermans, Volker, & Eisma, 2014). Accordingly, different relations can be recognized for the public client organization in ensuring public values by public service delivery, in namely client–stakeholders, client–user and client–contractor/supplier. Among these are relational contracting, networks and strategic alliances (Miozzo & Dewick, 2004).

It is argued that network systems, such as the construction sector where construction projects are planned and executed in the context of inter-organizational decisions, activities and relations, may be characterised by a high sense of mutual interest, active participation by all parties and open communication (Miozzo & Dewick, 2004). The commissioning role has a potentially important role in strategy alignment however is complicated as different internal and external institutions mandate specific (public) values.

Project governance: balancing organizational and project objectives

From a project organizing perspective, the project-based organization - the temporary constellation of the permanent public client organization and the executive private organization to deliver a particular outcome (project, program, service) - holds the resources that are needed to deliver the assets desired by the owner (client) and operator (Winch, 2010, 2014). A project can be seen “a temporary endeavour undertaken to create a unique product, service or result” (Winch, 2010) . To create public value and ensure public value, rather than merely the execution of task, projects and programmes could be strategic tools for public construction clients (Klakegg, 2009). In this view strategy alignment of projects of public service delivery, linking strategy and projects for example in portfolio management, is key to ensuring public values. A specifically challenging task due to interdependencies of the client (parent) organization and various external institutions.

In order to balance organizational and project objectives one needs to go beyond project management. Governance is highly important in this context, as it can be considered as a means ensure legitimacy (Townsend & Hart, 2008). Project management is mainly concerned with the operational control and execution of daily work at the project level, whereas project governance represents a higher-level structure; defining processes and structures to align

objectives of multiple projects with the organizational strategy (Biesenthal & Wilden, 2014). The concepts 'change' and 'strategic', within the 'project' and 'management' themes, indicate a particular focus on strategic issues in which projects are seen as vehicles of change that enable organizations to achieve their strategic objectives (Biesenthal & Wilden, 2014).

In general, in governance the role of government is determined by the relations (and dependencies) between government, market and society. In today's more collaborative government represented by the Public Value Management (or New Public Governance Paradigm, joined-up government or whole-of-government) values are created by networks of public- and private parties (Casey, 2015; Coule & Patmore, 2013). In order to truly apply public value management, the role of the public client needs to change from being the legitimate, performing government towards a networking and participating government (Van der Steen et al., 2014). Project management, more and more is aimed at conclusion of compromises and setting agreements with 'partners' (Van der Steen et al., 2014). This however proves to be difficult in practice because the role of project managers is quite dynamic. Tension exists between hierarchical steering of traditional public management logics and performance management in the new public management paradigm, providing

legitimacy for public action (Bao, Wang, Larsen, & Morgan, 2013; Beck Jørgensen, 1999).

And the need for more informal and adaptive tools in logics of public value management (Bao et al., 2013; Beck Jørgensen, 1999). We often notice public actors regress to old patterns when things become tense (e.g. time pressure). But also because within organizations, at different levels (strategic, tactic, operational) formal institutions or informal institutions are of influence. This emphasises the multi-level challenge of project governance, as projects are embedded across multiple organizational contexts (Sydow, Lindkvist, & DeFillippi, 2004).

Hence, in order to achieve organizational and project objectives, conceptualizations of project governance need to take into account this multi-level nature, which occurs at the intersections of projects, programs, and project portfolios (Biesenthal & Wilden, 2014). These mechanisms might be different across different layers, since the specific objectives at each level may be distinct (Biesenthal & Wilden, 2014). This may improve our understanding of how multiple institutional logics can coexist and are balanced at the organizational level (Besharov & Smith, 2014). Different governance frameworks may be deployed at different organizational levels, however are always interrelated (Biesenthal & Wilden, 2014). For example, a higher-level governance structure can impose constraints on a lower organizational level (Biesenthal

& Wilden, 2014). Hence, governance frameworks provide the boundaries and rules in which the project-level actor (e.g., project manager) can freely act to produce value for the various stakeholders (Biesenthal & Wilden, 2014).

Managerial responses to value conflicts

Being a professional public (construction) client in this context, good governance is about the management of competing value systems of different institutional logics presented in the networks for delivery of goods and services (De Graaf, Huberts, & Smulders, 2016; De Graaf & Paanakker, 2015; De Graaf & van Der Wal, 2008). From an organizational perspective, governance refers to all mechanisms within an organization that broadly determine how organizational resources are used to move the organization forward and resolve conflicts between its various stakeholders belonging to different internal and external institutions (Daily, Dalton, & Cannella Jr, 2003). Although choosing among competing interest might be beneficial in the short run, long-term sustainability requires continuous efforts to meet the multiple and often conflicting interests and demands (Smith & Lewis, 2011). Hence, coping

strategies are key organizational responses to value conflicts (Steenhuisen & van Eeten, 2013).

According to Smith and Lewis (2011) it is crucial to both look at tensions existing within the system and/or created by actors' cognition or rhetoric. Therefore, in approaching value conflicts public actors of construction client organizations may confront tensions via iterating responses of splitting and Integration -, or acceptance – embracing conflicts via strategy of “working through”. In line with this Poole and Van de Ven (1989) identified four strategic responses: (1) acceptance, keeping tensions separate and appreciating their differences; (2) spatial separation, allocating opposing forces across different organizational units; (3) temporal separation, choosing one pole of a tension at one point in time and then switching; and (4) synthesis, seeking a view that accommodates the opposing poles. Next, various collective and individual approaches may be adopted to address dilemmas or value trade-offs (Steenhuisen & van Eeten, 2013). These can either be formal or informal or defensive or active copings (Steenhuisen & van Eeten, 2013). Last, it is important to understand that value conflicts in governance take many forms and exist at different levels: individual (public actors), governmental (formal institutions), and policy formation (allocation of values) (De

Graaf & Paanakker, 2015). Therefore (managerial) approaches to value conflicts may also differentiate.

Research methodology and approach

In this paper we aim to unravel the multi-level challenge of strategy alignment in project governance by identifying the main tensions that are present between the different logics of the public, private and societal organizations involved in the delivery of public goods and services in the supply chain. Our empirical setting is the redevelopment of a local city square into a city park, where next to physical adjustments, social return is high on the agenda. The construction sector as our empirical setting provides an interesting representation of the dynamic and complex multi-institutional environment in which public actors operate. This in-depth case study involves a Dutch ethnographic research on collaboration between a public client organization (a large municipality) and various private partners (contractors, engineering, artists, social workers etc), aimed at getting an in-depth understanding of the often underlying or implicit aspects of specific (organizational) cultures (Ybema, Yanow, Wels, & Kamsteeg, 2009). Additionally, this case provides us with multi-level process data

(project and urban management department) enabling us to look at commissioning in its broadest sense. A strong process orientation helped us to provide important, context sensitive insights into how practitioners are enabled and constrained in their strategic actions and decisions by wider organizational and/or social practices (Vaara & Whittington, 2012).

One sense making mechanism in process research is using a visual mapping strategy, this is especially used by decision researchers (Langley, 2007). And fits our second aim to identify different practices of a public actors of client organizations that are consciously or unconsciously deployed to make value trade-offs in dealing with conflicting interest in networks of internal and external institutions. Using public value process mapping based on the foundations of Moore's value chain (Mark Harrison Moore, 1995) we look into project governance processes around values. Moore (2000) describes the public value chain' where inputs are transformed into valued social outcomes, in other words achieving public values (Benington, 2011), see figure 1. Lancing Farrell (2016) builds on this describing value-led management, and places the public value proposition between the demand and supply chain. And connects the value that should be produced in order to meet the demand to the activities

of the production. The value proposition steers the decisions and trade-offs that occur between the creation of private and public values (Farrell, 2016).

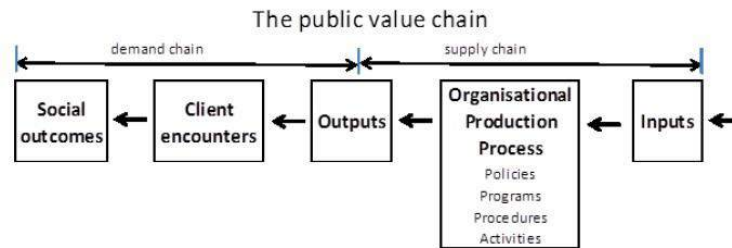


Figure 1. The public value chain (Mark H Moore, 2000)

We traced key-players, processes, procedures, activities and specific goals. We followed top-down as well as bottom-up (starting from a specific project) value creation processes, which we call value chains. We follow project practices of a public square that the municipality wants to turn into a ‘neighbourhood park with allure’ in strong collaboration with local private parties (both residents and businesses). We connect project objectives that are set on organizational level to project management practices and trace how public values are translated from public parties to private parties in the construction industry. This way we gain insight in copings applied in both internal and external commissioning to achieve project governance between different (formal and informal) institutions.

The data was collected between June 2017 and December 2018 by three researchers, including the first and second author. The fieldwork consisted of interviews, observations and documents analysis at both the internal level of the public parent organization and the external level of the project organization consisting of representatives of the municipality, a resident panel and multiple local suppliers organized in a tender pool .See table 1 for an overview of the collected data.

Table 1. Overview of data collection

	<i>Interviews</i>	<i>Observations</i>	<i>Documents</i>
<i>Internal Institutions (parent organization)</i>	10 semi-structured interviews: Alderman, municipal members of project group (6x: procurement, urban management, urban district, project management), and Intermediaries (3x: district agents, landscape architect, communication)	4 months of observations, among which; 4 Tender Board meetings, Project evaluation meeting, Start meeting of innovation workgroup and multiple monthly Project team meetings (during a period of 19 months)	Websites; Municipal website, municipal intranet, TenderNet (tenders are published on this website), Commission letters (decision-making) Various municipal programs; among which neighbourhood program, citizen participation action plan, innovative participation approach Municipal procurement regulations Various documents related to the project, among which the process document
<i>External Institutions (Project)</i>	9 semi-structured interviews) Community work (foundation), housing corporations (2x), resident associations (2x), local entrepreneurs (2x) and	Tender pool gatherings (3x) and resident panel meetings (3x), during a period of 19 months	Media coverage, folders, project website, neighbourhood magazine

	community organizations (2x)		
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We built our ongoing analytical structure on Moore (1995), Benington (2011) and Farrell (2016). Our preliminary analysis using an institutional perspective showed the processes in which structures such as schemas, rules, norms and routines are created and become guidelines for the actions of individuals, creating certainty and legitimacy of actions within and between organizations. We also found illustrations of the multi-level challenge of balancing institutional value systems.

Findings

Multiple institutional logics cause conflicts between inter- and intra-organizations

The specific participatory context displays a mixture of three logics; 1) the logic of the public commissioning organization, 2) the community logic of residents organized in a panel and 3) the business logics of local suppliers organized in a tender pool. These various logics of participating organizations bring along a multiplicity in value systems introducing a multiple principles problem. Preliminary findings show conflicts both within the different internal

institutions of the public commissioning organization and between this parent organization and the two external institutions with which the municipal parent organization forms the project organization.

Internally it is shown that the objective for a far-reaching form of participation, which is included in a municipal programme and experimented with in the case, conflicts with responsibilities in the public system, for example, regarding public legitimacy. In organizing the participatory process the municipality creates its own network dynamics by mainly hiring external parties for this project. The idea behind hiring external parties is to get away from system thinking. *“By hiring external staff you get away from system thinking”* This way of organizing challenges the public system of outsourcing. These hired ‘intermediaries’ are asked to ‘lead’ the external institutions and create support, however, also need to account to their parent organization which operates in the public sphere. The participatory process becomes top-down and one could say that this cannot longer be understood as true participation. The way of organizing becomes a way of providing legitimacy.

"Of course, you don't 'score' residents' initiatives, because then it's no longer a residents' initiative. But that's the mind-set of the municipality".

The preliminary findings also show that the participation objectives are conflicting for different layers and departments within the public parent organization. Even within the organization a common understanding of participation seemed hard to reach. *"If you look at the rest of the municipality, how they view participation, it's not easy internally either".*

Furthermore, projects that are initiated from sub-areas, and are promising to these areas, may conflict with objectives of other project and/or the general interest of the portfolio of the parent organization. Protecting the collective public value of the city is most important, reflected in formal safeguarding mechanisms towards integrality within the parent organization itself. However, the innovative participatory process conflicts with the standards of multiple advisory bodies, such as VOV and ACOR (which evaluates plans on the basis of the Public Space Manual), and General Welfare Committees.

"Then the handbook on public space comes to the table and then look at what remains of the plan."

Looking into the 'merging' of the municipal commissioning parent organization and the two external institutions in the project organization, preliminary findings show different conflicts between the participatory aims, the public resources, resident cultures and processes of smaller suppliers. In the participatory process with the resident panel the municipality is confronted with conflicts originating from the fragmentation within the neighbourhood and the need for continuity in maintaining contact making it possible to monitor properly. The neighbourhood is inwards-focused; both in the cultural characteristic and physically as the lives of certain generations is oriented indoors. The many cultures present in the neighbourhood do not blend. Existing networks in the neighbourhood (both residents and institutions) are fragmented (referred to by interviewees as 'islands'), and often aimed at their own members. The 'intermediary' which has been deployed by the municipality to manage the resident panel perceives difficulties in bringing together a varied group of residents in the panel. From experience this 'neighbourhood broker' has explained that joining existing recurring gatherings is most effective, however due to the fragmentation this approach would only attracts a limited audience. Although a municipal program on participation and project documents show the intention of an innovative way of participating, the municipality only use of old-fashioned resources.

“In the tender document the municipality stated that they were going to deviate from the standards. And what happened? Letters were sent out and phone calls were made.”

Next to making phone calls, other traditional communication mechanisms, such as letters, showed to be less effective than the more informal and spontaneous communication of the neighbourhood broker. In addition, the landscape architect has also been commissioned to design a preliminary plan together with residents. Preliminary results, however, show a lack of consistency in a municipal contact person for the plans. Before the landscape architect was commissioned, someone had already been appointed to take an inventory of the demands and wishes of residents. It seems that the landscape architect is, to some extent, repeating the work of this predecessor. Soon continuity in communication is disrupted again as by entering the next phase the engineering office of the municipality will again take over this task from the landscape architect.

“And I actually think that - and I think this is a wrong organizational structure - that they have asked us to do this, but why should we be thrown in again as a new agency? Actually, it would have been much better to let [Name of person] continue working on the plan, because she was familiar with those people”.

Next to the resident participation also a participation process with local suppliers was set up.

The results indicate however that objectives for and expectations of this tender pool from the perspective of the municipality conflict with composition of this institution. For example, next to participation in procurement of parts of the physical plan, the municipality also asks for a contribution to the social objectives. The businesses in the pool might be intrinsically motivated to contribute but the many small enterprises and self-employed entrepreneurs in the pool are not able to deliver these objectives. For most of them this is not financially feasible. But also because they simply are unfamiliar with the framework of the municipality, and its tendering process and therefore their organizational processes do not match.

“That is a difficult point of course. First of all, we wanted to involve companies that are simply not at all known with the municipal context and its tendering process. So that is quite a handicap for these parties already. Then we will also ask them to add something they may be intrinsically driven for, but also have no experience with.”

In relation to this tendering process the next example is about the use of TenderNet in particular. This is a well-known way to internationally invite tenders and used by bigger

contractors which often work for public organizations. However, there are only a few bigger contractors present in the business pool. Creating an illusion of equality, which is part of the procurement rules, because there is a lack of alignment with organizational processes of entrepreneurs in the pool.

“Subscribe to TenderNet? You're not going to ask a construction worker to do so.”

‘New’ coping mechanisms and patters are supported by formal ‘old fashioned’ copings

We identified various collective or individual, formal or informal, or defensive or active (strategic) responses to the conflicts that have been discussed in the previous section.

Internally the identified conflicts show that the ‘leeway’ is marginal in the public domain as public actors get distracted by the mechanism that ensure responsible behaviour. Findings seem to indicate that ambitions are there but public actors consciously or unconsciously regress to old patterns. For example, while the aim was to be innovative in the process, a risk session in order to come up with criteria was set up in advance. In setting up the innovative participatory process one of the advisory bodies, the ACOR, was also invited in an early stage. Although the early involvement is new, the restrictions as a result of the assessment

remain the same. However, performing this formal quality coping did provide space and time to react.

“It also has to do, I hope, with the fact that we have also approached and engaged the ACOR already in earlier stages, and even before we started. And asked them what the general lines are that we have to take into account.”

This ‘space’ eventually led to a process document, in itself also a defensive reaction, but accounting for some creative interpretations of procurement law. It counted as a compromise.

‘One of the compromises that had to be made to fit within the frameworks’. The tendering remains a system approach. But in order to stimulate the market to deliver the highest possible percentage of social return it was agreed upon in the process document that this could be included in the EMVI criteria, which is normally not allowed.

But then you already act in a somewhat grey area, because actually you should not use it as an EMVI criterion. But that's what we did to stimulate the market to deliver the highest possible percentage of social return.

In an effort to deal with the internally-focussed characteristic of the neighbourhood the municipality specifically selected the landscape architect that included a cooperation with a communications agency in their offer. Despite this collaboration not being one of the selection criteria this seems to have been the decisive factor. Next to this, they gave quite a lot of space to this ‘combination’ to filling in the process of participation, also to underline staying away from the ‘system’.

“I deliberately did not join the resident meetings. Because I think we shouldn’t give the impression that the municipality is watching and pushes its opinion. We should give the landscape architect ‘space’ to shine in these meetings.”

Where for example the landscape architect chose to prioritize the collected residents demand.

Although trusting on their selection, the municipality facilitated the searching for contact with residents providing a ‘shed’. This however showed not to work in this internally-focussed neighbourhood. Interestingly is that when the turnout for the resident gathering was disappointing, the municipality started blaming the architect. In a reaction the communications agency that collaborated with the architect immediately wrote an action plan, in line with the plan and program culture of the municipality. You could interpret this as them providing a document for accounting. Next to these defensive actions, the municipality is still

actively involved in shaping the future participation in management of the square by residents. They are currently thinking about the development of a management plan for the purpose of creating ownership.

We also identified some complementary reactions by the municipality to enable the success of the tender pool. Although the use of TenderNet provides legitimacy for public action and thus may be understood as a safeguarding mechanism in itself, in practice this mechanism has its downfalls. Designed to ensure transparency as a means for public legitimacy it steers certain trade-offs. To make it more realistic for the smaller entrepreneurs to join the pool they applied a separation strategy. The large scale of the project is reduced by splitting up into 'subprojects' and 'pearls'. Although this is not allowed normally, this became one of the 'compromises' discussed in the strategy formation phase, and this agreement was added to the process document.

“In the strategy formation phase we discussed whether or not it was possible to cut the plan into subprojects. In the end we concluded that it’s a boundary, it is not actually possible , but under certain conditions we may consider it. We more or less

drew up these conditions together with the Ministry of Economic Affairs and this ended up a process document. “

However, because some of the subproject are still quite big, in the process document there has been introduced an 'escape route' allowing the municipality to contract outside the tender pool when the offers are not sufficient. In a response to the unfamiliarity with TenderNet of many entrepreneurs in the tender pool the municipality introduced two additional ways to subscribe for the pool, the registration form as also present at TenderNet is made available in the Shed and can also, when filled in, be dropped-off at the shed or emailed to the municipality.

Although the subscription thus is easily accessible, when the tendering is started the process will still be designed according to the rules of the procurement law.

“In the process document, we indicated that they could send the application forms via three channels. Of course TenderNet registration, but they could also fill in a form and hand it in at the booth or send it by e-mail.”

Discussion & Conclusion

In order to see how public actors navigate through the different value systems in delivering public services, we studied an innovative participatory process to redevelop a local square into a city park. Our preliminary findings show that the specific participatory context displays a mixture of three logics; 1) the logic of the public commissioning organization, 2) the community logic of residents organized in a panel and 3) the business logics of local suppliers organized in a tender pool. These various logics of participating organizations prove to create a context of a multiplicity in value systems in which public bodies operate. Introducing a multiple principles problem resulting in conflicts both within the public commissioning organization and between the parties (public, market and society) in the supply chain. In practice we see that public client organizations are generally aware that they need to secure room in projects, especially in early stages, to be able to manage specific sustainable value for the organization and its stakeholders, to safeguarding the public values representing the value shift, during the process and not to restrict themselves beforehand. In this context the commissioning role is crucial; both internally in relation to organizational stakeholders and externally in the direction of outside stakeholder groups. And although the initial aim of the studied project was to organize as a networking government and accordingly reaching

compromises and agreements with consultative partners (learning by doing), in practice we see the public client often regress to old patterns. Especially the relatively strict public tendering regulations seem to ask for a high level of creativity of the project team within the municipal governance system in ensuring the public value as initially strived for. The responses to the conflicting value systems however were mostly individual (carried out by the public client) and defensive. More informal ways of organizing were only found as addition to the existing formal systems. The systemic responses proved to be insufficient for the practices of the external institutions and vice versa.

We have shown the difficulties in delivering public goods and services in public private partnerships much needed to deal with today's societal challenges. Public construction clients are challenged to balance these competing values while honouring the structures of authority and regime values within which they operate. In PPP's the public client gets confronted with both the interest of the permanent parent organization as well as the interest of the temporary project organization. On the one hand this confronts the permanent organization with even more value conflicts, as we have shown. However, it also provides opportunities to approach the value conflicts from the demand as well as the supply side. In the accountability and reliability discussion public clients could benefit from searching for cooperative procurement

procedures to embrace these opportunities Public construction client organizations however have not yet found the way to make use of it. Results of the study could increase the awareness of project managers on steering public values within the public domain and can be used to explicate the pallet of safeguarding mechanisms that are applied in construction projects. Further research could focus on handling value trade-offs to identify patterns of strategic responses, which could be the basis for a pallet of actions gives a commissioning organization more structure in execution of their core tasks. By comparing different types of (semi) public organizations, patterns can be identified and a pallet of actions is created that can provide insight into the management of value processes within an organization. This gives a commissioning organization a grip in the further professionalization and execution of the core tasks.

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