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EDITORIAL
CULTURAL ENTREPRENEURSHIP AND CULTURAL INITIATIVES: STAKEHOLDER COLLABORATION, NETWORKS, AND PARTICIPATORY GOVERNANCE

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Article info

Keywords: *This editorial offers a diverse, context-rich perspective on cultural entrepreneurship, emphasizing the role of culture as a catalyst for systemic transformation in policy, practice, and research*

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Abstract

Purpose: *This editorial belongs to the joint Special Issue on "Cultural entrepreneurship and cultural initiatives: challenges in a new context" launched by PISB - Piccola Impresa - Small Business and the EJCMP - European Journal of Cultural Management and Policy. It focuses on how cultural entrepreneurship and cultural initiatives foster innovation and sustainable development across different socio-spatial contexts through collaboration, networks and participatory governance.*
Design/methodology/approach: *The editorial synthesizes findings from four contributions focused on cultural ecosystems, governance, entrepreneurship, and heritage-driven development.*
Findings: *Cultural initiatives serve as transformative connectors across sectors, supporting innovation, resilience, and inclusivity. Their impact varies contextually, influenced by governance models, entrepreneurial mindsets, and socio-cultural embeddedness, showing culture's potential in driving sustainable urban and regional development.*
Practical and social implications: *The studies highlight culture's capacity to foster equitable development, revitalize urban and peripheral areas, support inclusive governance, and enhance the sustainability of cultural ecosystems by linking tradition, innovation, and community engagement.*

In contemporary society, cultural initiatives serve not only as platforms for artistic and cultural expression but also as systemic connectors bridging diverse institutional spheres. These initiatives constitute vital intellectual resources and infrastructural linkages that facilitate transformative interactions among cultural entrepreneurs, communities and a broad range of social actors. Through these exchanges, cultural initiatives nurture innovation, inclusivity, and resilience within complex societal systems (Bocconcelli et al., 2025).

The notion of the "cultural ecosystem"—and more broadly, the ecological metaphor increasingly employed in recent years (De Bernard et al., 2022)—has gained prominence in exploring the interconnections between creative industries, cultural institutions, and citizens. Ecological approaches thus provide a valuable framework for understanding the mutual dependencies and relational dynamics among these different domains of cultural and creative practice. Importantly, such linkages manifest organically within their multifaceted socio-institutional contexts (Pagano et al., 2021).

Cultural initiatives also operate as hybrid platforms where disciplinary and sector boundaries are reflected upon, reconfigured, and overcome (Piber, 2020; Demartini et al., 2021). These initiatives often entail collaborations where universities and local governments cooperate with cultural and creative organisations to promote public engagement, and entrepreneurs draw inspiration from artistic practices to reimagine economic paradigms (Bureau & Zander, 2014). Thereby, they contribute to the formation of complex cultural ecosystems (Bergamini et al., 2018; Dobreva & Ivanov, 2020; Magkou, 2024). Within this perspective, the meso-context emerges as particularly relevant in the expanding literature on entrepreneurial ecosystems (Stam & van de Ven, 2019), which continues to explore how various actors shape and sustain the evolution of their ecosystems.

Recent studies increasingly adopt contextualized perspectives, emphasizing local embeddedness, neighbourhood networks, and the social fabric of urban environments as key arenas for the emergence of novel business models, organizational forms, and start-up cultures (Vestrum, 2014; Summatave & Raudsaar, 2015; Borin & Delgado, 2018; Ben Hafaïedh et al., 2023).

The joint issue of the *European Journal of Cultural Management and Policy (EJCMP)* and *Piccola Impresa – Small Business (PISB)* seeks to provide comprehensive insights into the evolving landscape of cultural and creative activities and their implications for sustainable development. These dynamics are analysed across diverse geographical contexts, as reflected in the nine contributions previouisly published (Fioravante et al., 2025; Lelo, 2025; Leonardi & Pareschi, 2025; Kuznetsova-Bogdanovitsh & Ranczakowska, 2025; Kostica, 2025; Masili et al., 2025; Pastore & Corvo, 2025; Oppioli et al., 2025; Vacca & Vandi, 2025).

The four articles featured in this Editorial and published in the current *PISB* issue turn the discussion on multi-stakeholder collaboration and network governance within the cultural and creative sectors. Special attention is directed toward the meso-level of analysis, underscoring its analytical value for understanding the interdependencies between entrepreneurial agency, practices, and contextual environments.

Can participatory processes contribute to the sustainability of cultural and creative ecosystems? by Giulia Lapucci, Mara Cerquetti and Carola Boehm explores how participatory and co-creative practices contribute to the sustainability of cultural ecosystems. Through a qualitative case study of *Appetite*—a community-led initiative within England's *Creative People and Places (CPP)* program—the research integrates interviews, participant observations, and document analysis to investigate how collaborative cultural processes shape community engagement and long-term cultural vitality. Findings reveal that while participatory approaches can enhance inclusivity and local ownership of cultural activities, they also encounter challenges related to resource distribution, stakeholder coordination, and policy alignment.

Cultural Entrepreneurial Opportunities: A Business Network Perspective by Chiara Cantù investigates how entrepreneurial networks facilitate the exploitation of cultural entrepreneurial opportunities. The paper shifts the focus from individual entrepreneurship to network-level cultural entrepreneurship, showing how collaborative relationships may foster sustainable regional development and creative innovation. Using a qualitative longitudinal case study of a startup in Lake Como's audiovisual sector, the paper analyses interorganizational relationships and reveals that leveraging local, cultural, and relational proximity enables startups to transform local cultural opportunities into collective entrepreneurial initiatives.

Urban Commons and cultural activities by Nathalie Colasanti, Rocco Frondizi and Carmela Gulluscio explores how community-managed urban commons can reshape urban cultural life. Using a qualitative case study of Rome's *Lucha y Siesta Women's House*, the paper combines a literature review, a document analysis, interviews, and field observations to examine governance and co-production dynamics. The study links urban commons theory with cultural governance, framing commons as engines of grassroots cultural production and urban regeneration. Findings show that urban commons function as inclusive, self-governed cultural hubs fostering collective creativity and social resilience, despite tensions with public administrations.

Finally, the contribution *Collaborative governance in the management of cultural site* by Krizia Ciangola and Filippo Giordano examines how collaborative governance frameworks shape the management of small-scale cultural sites. Through multiple case studies and semi-structured interviews with cultural site managers, the study investigates how participatory governance relies on dense networks of actors engaged in policymaking and implementation. Findings highlight the need to balance inclusivity and coordination to avoid conflicts while fostering creative, context-sensitive solutions. Particular attention is given to the role of mediating bodies and the professional backgrounds of mediators in facilitating dialogue and cooperation. Ultimately, the study contributes to a refined understanding of collaborative governance as a dynamic system capable of sustaining "minor" cultural sites.

Taken together, the contributions included in the joint *Special Issue* offer a multi-dimensional examination of culture as a catalyst for transformation, highlighting its challenges, opportunities, and emerging trajectories. Collectively, these studies underscore the complexity and embeddedness of cultural and creative initiatives within specific socio-spatial and institutional contexts and show the leveraging capacities – especially of collaborative action and participatory governance.

More specifically, the four contributions featured in this issue of *Piccola Impresa/Small Business* emphasize the critical importance of multi-stakeholder collaboration and network governance within the cultural and creative sectors. Across these works, a notable paradigmatic shift is observed—from a focus on individual-level agency to the collective dynamics of interorganizational networks and collaborative engagement as key enablers of sustainable cultural development and management.

Geography plays an undeniable role. Successful cultural projects often exhibit a distinctly *place-based* character, emerging among geographically proximate entities that benefit from shared spatial and cultural contexts. Proximity fosters the exchange of ideas, encourages cooperation, and strengthens local identity. However, physical proximity alone does not suffice to stimulate innovation. As Tremblay and Cecilli (2009) argue, "relational proximity"—built upon mutual trust, shared commitment, and a collective vision—constitutes the deeper connective tissue that transforms co-location into genuine collaboration. When individuals and organizations cultivate such relationships grounded in shared values and a strong sense of belonging, they generate a collective identity that aligns organizational and territorial aspirations.

True cultural vitality thus arises from interconnected networks. The key insight emerging from this Special Issue is a fundamental reorientation of perspective: from the *individual* to the *collective*, from *top-down direction* to *bottom-up collaboration*, and from the mere *significance of location* to the *quality of relational engagement*. The most dynamic forms of cultural innovation often originate from the ground up, through the co-creation of urban commons—initiatives that reclaim and repurpose underused or abandoned spaces into grass rooted cultural hubs deeply attuned to community needs.

Yet, these initiatives remain inherently fragile, requiring ongoing support and adaptive governance to sustain their transformative potential.

Understanding these dynamics allows us to more effectively nurture the ecosystems in which cultural initiatives, entrepreneurial ideas, and community engagement genuinely flourish. Such understanding, however, cannot emerge without methodological innovation and cross-disciplinary fertilization. The contributions within this Special Issue demonstrate the value of practice-based methodologies, ethnographic inquiry, and the attention to 'softer' institutional contexts that shape cultural production and collaboration.

Furthermore, the authors underscore the necessity of a methodological reflexivity and openness—safeguarding that the epistemologies and methodologies employed are aligned with the specificities of the research context. This reflexive stance is not ancillary but central to sensemaking and advancing theory-building in cultural entrepreneurship and creative ecosystems.

Ultimately, while this Special Issue introduces novel perspectives on cultural initiatives and entrepreneurship, it also serves as an invitation for future research—to deepen, expand, and challenge existing frameworks, ensuring that cultural inquiry remains as dynamic and adaptive as the transformation of the field and the practices it seeks to understand.

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CAN PARTICIPATORY PROCESSES CONTRIBUTE TO THE SUSTAINABILITY OF CULTURAL AND CREATIVE ECOSYSTEMS? THE CASE OF THE CREATIVE PEOPLE AND PLACES (CPP) PROGRAMME (ENGLAND)

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Abstract

Purpose. *Participatory and co-creative processes are now widespread in various sectors of our society, including the cultural and creative industries. The study aims to examine their contribution to the sustainability of cultural ecosystems and their integration within cultural policies. It explores best practices and emerging challenges, along with the impacts, both positive and negative, on members and communities, thus informing the development of sound cultural policies.*
Design/methodology/approach. *Adopting the single case-study methodology, combining multiple data sources, including semi-structured interviews, observations, and documentary analysis, we discuss the case of Appetite, a project carried out in Stoke-on-Trent (UK) within the framework of Creative People and Places (CPP), a ten-year audience development programme targeting areas of England with below-average cultural engagement.*
Findings. *The paper highlights good practices and critical issues in applying participatory methods to large-scale programmes in the cultural sector. It reveals that effective participatory processes can lead to greater community involvement and sustainability of cultural projects, but also highlights significant obstacles such as resource allocation and stakeholder alignment.*
Practical and Social Implications. *The study emphasises the significance and intricacy of implementing participatory processes in contemporary cultural policy discourse, particularly in view of global calls for more inclusive and sustainable cultural development strategies. The study provides guidance to policymakers, cultural practitioners, and community leaders on the application of participatory practices, addressing benefits, potential challenges, and limitations.*
Originality of the study. *This research contributes to the existing literature by offering a detailed qualitative analysis of a long-term, large-scale, participatory project in the UK cultural sector.*

1. Introduction

The debate between "Democratisation of Culture" and "Cultural Democracy" marks a pivotal shift in the way culture is accessed, created, and valued (Belfiore et al., 2023). By acknowledging the value of different cultural expressions and co-creative processes, access and production are democratised, ensuring participation, engagement, and ownership.

Recognising the growing importance of this phenomenon in the cultural and creative sector, researchers, politicians, and organisations have sought to identify effective tools and strategies for the application and management of participatory processes.

This research examines a particular English case study, Appetite, a ten-year community-driven and place-specific project that is part of the Creative People and Places England, a national audience development programme, hereinafter referred to as CPP. Appetite applied participatory approaches both in the planning and evaluation phases. Its features make Appetite an ideal candidate for identifying good practices and critical issues in applying participatory methods to large-scale place-based programmes. The study aims to provide insights to improve the inclusion of participation in the management of place-based cultural and creative activities by exploring the contribution of participatory practices within these programmes. It specifically examines best practices and challenges encountered in their implementation, delving into the immediate and lasting effects on consortium members and the wider communities they engage with. Highlighting both positive and negative outcomes, the analysis seeks to offer a comprehensive understanding of how participatory methods impact cultural initiatives and improve their sustainability and community engagement or generate new challenges.

This research aims to offer valuable insights into the academic discourse on participatory cultural processes and their practical implications for policy and community engagement. It provides a link between cultural studies and public policy, offering empirical evidence and theoretical interpretations that can influence both spheres. By analysing the implementation and outcomes of participatory practices, the study contributes to the ongoing dialogue on cultural policymaking, funding allocations, and community-led cultural initiatives.

The paper is structured as follows. Section 2 provides the theoretical background of participatory processes in the cultural and creative sectors. Then, the paper introduces the research context (section 3). Section 4 describes the research methodology, a single case study combining multiple sources of data. Then, the findings are presented and discussed in sections 5 and 6. The last section outlines the research limitations, implications, and future perspectives.

2. Theoretical background: participatory approaches within the Cultural and Creative Sector

Since the 1960s, the concept of democratic public participation has gained increasing attention in various societal spheres (Arnstein, 1969). This shift has been particularly evident in the cultural sector, where countercultural movements in the UK during the 1960s and 1970s challenged traditional hierarchies between elite and popular tastes, as well as between different art forms (Belfiore et al., 2023). In England, this contrast led to a "reluctant engagement of the Arts Council with the community arts movement" (Belfiore et al., 2023, p. 3). Consequently, during the 1970s, the idea of "Cultural Democracy" began to spread within traditional arts policies, thus overcoming the top-down principle of the "Democratisation of Culture", which until then had been designed to make excellence accessible. Furthermore, in examining this phenomenon, it is imperative to reflect on the topic of cultural value creation and the processes through which certain forms of culture are legitimised, while others are not (Bourdieu, 1984; Belfiore, 2020). As Belfiore observed, the absence of acknowledgement of the power imbalance resulted in the UK adopting the "deficit model" (Miles & Gibson, 2016, p. 151), namely patronising rhetoric of "disinterested and disengaged targets" when widening participation in cultural initiatives.

Nowadays, concepts such as "Cultural Democracy", "Co-Production" and "Culture 3.0" (Sacco et al., 2018; Boehm, 2022) are increasingly used in artistic and cultural policy documents and discourses, showing a strong interest in applying different forms of participative, co-creative, and bottom-up approaches in the management and enhancement of cultural heritage and cultural and creative production. Content created through a co-creative Culture-3.0 phenomena, often using disruptive technologies, ubiquitously available content, and consumer-producer ambiguity, has created new tensions all to do with who owns what and what to do with our gatekeepers (Sacco, 2011). "The era of individualism seems to be receding, and co-creation and co-ownership are increasingly taking their place" (Boehm, 2022, p.49).

Participatory processes are a key characteristic of a Culture-3.0 model of cultural engagement and are perceived to be aimed at achieving Cultural Democracy. Indeed, the use of participatory processes has several positive aspects. They can generate multi-dimensional impacts on communities, individuals, organisations, and governance systems (Cornwall, 2008). Furthermore, the lessons learned from these approaches are potentially useful in the review and decision-making process at different levels and for different stakeholders: for policy reformulation, the management of organisations, and the ongoing self-determination of communities (Gaventa & Barrett, 2012). Embracing the principles of the Faro Convention (Council of Europe, 2005), culture-led participatory approaches address place-specific needs and enable local communities to become active players. The Convention's principles provide a framework to ensure that these participatory initiatives not only respond to immediate cultural challenges and empower citizens, but, above all, foster a sustainable development built around "heritage communities" (Council of Europe, 2005, p. 2). One of the main innovations of the Convention is its people-centred approach, with people themselves becoming performers, recipients and decision-makers (Cerquetti & Romagnoli, 2022, p. 42). Indeed, citizens are no longer individual and passive spectators but are now organising themselves into dynamic and changing communities that can play an active role in the management process of cultural and creative activities, from its design to its evaluation. Moreover, it is crucial to remove barriers and ensure accessibility and inclusiveness for all parts of society, recognising the central role of cultural participation in improving the lives and wellbeing of people and communities (Fancourt & Finn, 2019). In this regard, Bonet and Négrier (2018) proposed a discussion on whether participation strategies merely replicate the criticisms of cultural democratisation by maintaining existing hierarchies and excluding marginalised groups. They suggest that mediation may be a way to address and potentially balance these inequities (Bonet & Négrier, 2018).

By adopting these principles, communities can co-create, stimulate, and direct the local cultural offer, providing multi-dimensional impacts and ensuring greater sustainability and resilience of the local cultural and creative ecosystem in the long term. Similarly, this focus on a participatory approach is also growing in the design of evaluation processes. Although the adoption of these approaches in evaluation contexts entails some obstacles – including a greater expenditure of economic, human, and time resources –, its multifaceted advantages cannot be overlooked (Smits et al., 2009; Ledwith & Springett, 2010; Thomson & Chatterjee, 2013; Badham, 2015; Morse et al., 2020; Gratton & Reynolds, 2022). Welcoming communities in the entire management process, without neglecting evaluation, represents the paradigm shift needed to practice deep-rooted forms of participation capable of generating change. Evaluation must, therefore, be a reflection tool for cultural and creative organisations, but also an interface for dialogue with communities, so that they can highlight the parameters they consider necessary to assess activities.

Additionally, citizens' discussion and definition of cultural indicators is an effective measurement tool and a powerful means of engagement to potentially influence local change (Fischer, 2012; Badham, 2015). For this reason, in our study, we explore a case that applied a participatory approach to both the design and evaluation phases, providing a valuable example through which to trace the benefits and challenges of permeating participation.

In alignment with De Bernard et al. (2022, p. 340), it is imperative to explicitly delineate the conceptual framework being employed when utilising the term "cultural and creative ecosystem" in order to facilitate coherent discourse. In this case, we are referring to an organisational approach to cultural programming (*Ibidem*), namely that of Appetite, which is framed within the CPP programme. In line with Borin and Donato's findings, this ecosystem aligns with the concept of a culture-led ecosystem, in which cultural organisations play a leading role in driving change processes (Borin & Donato, 2022, p. 29).

3. Research context Creative People and Places in Stoke-on-Trent, Appetite (England)

Looking at the European context, England certainly hosts one of the most heated and long-running debates on the redistribution of cultural value and Cultural Democracy (Belfiore, 2020; Belfiore et al., 2023). Indeed, Arts Council England (ACE)'s approach to its cultural policy has seen a remarkable paradigm shift in the last decade, aimed at greater inclusion of participatory, place-based, and bottom-up forms in national policy (Jancovich, 2017). The results of this reversal are clear in the new ten-year strategy document, Let's Create (Arts Council England, 2020), as well as the ACE's support for Cultural Compacts, an outcome from its 2018 commissioned Cultural Cities Enquiry.

Therefore, we intend to focus on what we believe to be the seed of this new national strategy: a ten-year ACE intervention, namely CPP, a place-based audience development programme started in 2012 and funded by the National Lottery and the UK Government. CPP's final aim is to enable more people to experience and be inspired by the arts, with investment focused on parts of the country where arts engagement is significantly below the national average[1]. The CPP was developed as a participatory action research (PAR) programme with a continuous evaluation and a peer-learning programme. As stated in the report from 2018, Cultural Democracy and community decision-making are of fundamental importance to CPPs. Since it is a participatory action research project, continuous reflection and learning are maintained as core tenets of the work with communities (64 Million Artists & Arts Council England, 2018). The principles of human-centred design have been implemented to place community decision-making at the core of all programming. This approach has been undertaken

[1] The engagement data are provided by the Active Lives Survey, a Sport England-led survey about people's participation in leisure and recreational activities, including sport, physical activity, and culture (Arts Council England, n.d. b).

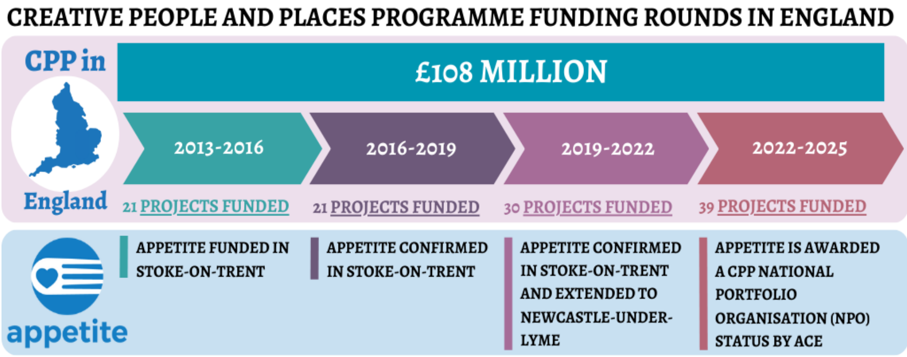
to open up the decision-making process to a wider range of voices, provide space for communities' cultural expression, and ultimately pursue the principles of Cultural Democracy (64 Million Artists & Arts Council England, 2018; Icarus, 2019). The programme, started in 2012 with 21 projects, is now in its fourth funding round, with a total expenditure over the past ten years of £108 million (Fig. 1). The CPP was arguably the first of the three pillars of large-scale ACE-supported place-based arts initiatives, with Local Cultural Education Partnerships (LCEPs), being launched in cooperation with the Department for Education (DfE) in 2015, aiming to align cultural education of young people, and Cultural Compacts, being recognised officially in 2019.

As for 2023, there are currently 39 CPP programmes active in the UK, 140 LCEPs and more than 50 Cultural Compacts covering the whole of the UK, all three focusing on place-based approaches to arts and culture (Arts Council England, 2023).

3.1 Appetite, Stoke-on-Trent's Creative People and Places project

Although there has been a much longer tradition of co-creative approaches to arts, crafts and culture in Stoke-on-Trent, the research discussed in this paper focuses on Appetite, a project active for ten years and among the 21 funded at the program's launch in 2012 (Ecorys UK, 2016). Appetite, one of the West Midlands consortia, initially targeted the Stoke-on-Trent area and later, in 2019, was extended to include the Borough of Newcastle-under-Lyme. It was also awarded the status of National Portfolio Organisation (NPO) in 2022 by ACE, confirming funding for its activity in both areas for three years (Fig. 1).

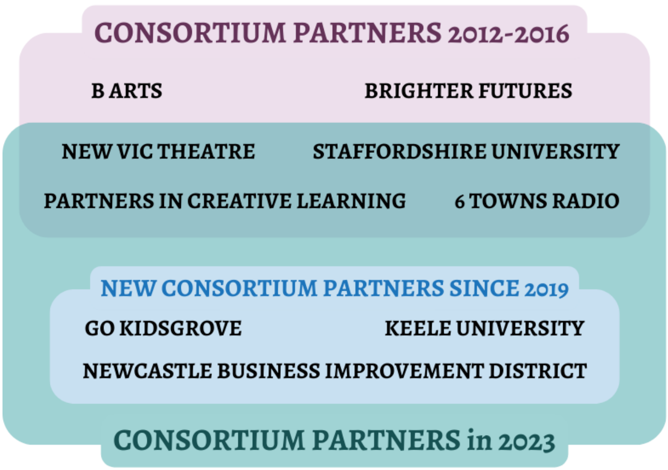
Fig. 1: *Overview of Creative People and Places funding rounds in England, and Appetite's funding history within the programme*



Source: own elaboration

As shown in Fig. 2, the consortium was led by the New Vic Theatre, with a partnership that has evolved over time from 2012 until 2023. At the time of this research, it involved: Partners in Creative Learning, 6Towns Radio, Staffordshire University (SU), Newcastle Business Improvement District (BID), Go Kidsgrove, and Keele University (KU) (Appetite, n.d.).

Fig. 2: *Evolution of Appetite consortium from 2012 to 2023*



Source: own elaboration

Appetite began providing its 10-year vision by putting on a Taster Menu[2] in Summer 2013 to engage and inspire local communities in the Six Towns[3] area.

Over the past eleven years, Appetite has engaged 2,099,735 audiences, 55,910 participants, 1,149 artists and 1,875 volunteers, working closely with community decision-makers at the Supper Club.

This article focuses on the initial life phase of Appetite, between 2012-2016, in which Staffordshire University (SU) carried out the project evaluation, applying "Get Talking", a participatory-research approach (PAR) (Gratton & Reynolds, 2022). Based on co-production principles, this approach was designed and applied by the SU Creative Community Unit (CCU) (Emadi-Coffin, 2008; Gratton & Reynolds, 2022). Originally developed as a Community Consultation course (Emadi-Coffin, 2008, p. 30), it was later accredited as a short course for continual professional development (Gratton & Reynolds, 2022). Get Talking is based on three dimensions: 1) a set of principles, 2) a clear process and 3) creative tools for consultation (Gratton, 2014). Additionally, it follows a process of planning, involvement, listening and learning, cross checking and action planning (*Ibidem*).

Over the years, Get Talking has been used in various contexts in the UK to train community members and organisations in creative and participatory consultation and evaluation. The consortium welcomed the proposal to use it for Appetite's evaluation due to the participatory nature of the method, which was considered perfectly in line with the programme's philosophy[4].

Over the ten-year programme, ACE's evaluation of all CPP projects, including Appetite, assessed each funded project against three core questions: whether the programme has resulted in more people experiencing and being inspired by the arts; how well the CPPs have achieved excellence in both arts and community engagement; and which approaches to participation, inspiration and excellence have been successful. The Audience Agency's evaluation required the timely collection by Appetite of demographic and postcode data on quarterly monitoring forms, covering a congruent representative sample of audiences for all types of activities and events held (events, festivals, exhibitions, outdoor performances, etc.). Furthermore, the evaluation required accurate information regarding the age, ethnicity, gender, sexual orientation, and disability status of the sample.

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[3] Taster Menu was a curated programme of free high-profile artistic experiences, designed to raise the profile of the project in the first year. Between April and October 2013, Appetite attracted more than 16,000 people to their Taster Menu.

[3] The urban area consists of six towns. In 1910, they were united to form a single city called Stoke-on-Trent, that encompasses Burslem, Fenton, Hanley, Longton, Stoke-upon-Trent, and Tunstall.

[4] For further details of the participatory research approach used in Appetite, see the paper by Gratton and Reynolds (2022).

In the first year of Appetite, an evaluation team from the CCU was appointed, consisting of one project manager and one academic researcher. The evaluation was based on the involvement of all consortium members, who employed twelve Appetite builders[5], community researchers who worked with the community groups identified in the Six Towns area. The CCU team has trained not only Appetite staff members on Get Talking, but all consortium partners and builders. Broadly, Appetite's evaluation through Get Talking involved a project manager, an academic researcher, a critical friend, and twelve community researchers, including four Appetite builders and eight volunteers (Gratton & Reynolds, 2022). The Get Talking Network was used to engage people in conversations and involve them in decision-making about local issues (Ecorys UK, 2016). Members of the community were invited to participate in training to support the evaluation of Appetite. The training programme offered the opportunity to work towards accreditation from Staffordshire University. Participants were able to acquire new action research skills, and some gained accreditation. Furthermore, the Appetite team benefited from the group's input during the analysis and reporting stages (*Ibidem*).

Training covered participatory principles, interview techniques, and data analysis, with community researchers applying their learning through creative consultation tools such as the Travelling Tea Room, quali-tea pots, an arts wish tree, and acrostic poems. These methods encouraged audience engagement while capturing qualitative insights in a lively and accessible way. The evaluation was embedded into the programme, ensuring meaningful findings that influenced its direction (Gratton & Reynolds, 2022).

Challenges related to scale led to adaptations such as integrating quantitative post-event surveys and commissioning professional artists to refine creative consultation tools (Gratton & Reynolds, 2022).

Get Talking has certainly shaped the programme. According to Gratton and Reynolds (2022), the participatory principles at its heart still positively impact Appetite's work with communities.

This contribution wants to investigate the possible short and long-term effects that the use of Get Talking may have produced on the members of the Appetite consortium, on their knowledge and use of participatory approaches, and how they collaborate and with their reference communities.

Given these premises and focusing on the perception of consortium partners, the research questions are the follows:

RQ1: What are the best practices and issues that emerged in adopting a participatory approach?

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[5] Of these twelve, four were Appetite builders and eight volunteers, motivated by their interest in art or their communities.

RQ2: What are the positive and negative short- and long-term impacts that the participatory approach generated on consortium members and communities?

4. Research methodology

The study applied a qualitative methodology, the single case study, combining multiple data sources, including semi-structured interviews, observations, and documentary analysis (Eisenhardt, 1989; Baxter & Jack, 2008; Stake, 2008; Creswell, 2009; Yin, 2018). The six months spent in the Stoke-on-Trent and Newcastle-under-Lyme areas were crucial for a better understanding of the research object. From February to July 2023, a desk analysis was also conducted, collecting and studying materials produced by the programme, at national and local levels. The documentary study was principally based on scientific publications on the subject, augmented by documents elucidating the operational mechanisms of the programme. A total of approximately forty discrete contributions were gathered, collectively serving to delineate the research context previously outlined. At the national level, the report for the tenth anniversary of the programme proved to be a privileged driving instrument (Robinson, 2022). It contained references both to the learning of the participatory research programme (PAR) and to the results of the local and national evaluation of the programme. It should be noted that the ACE website provided useful strategic and operational documents on project requirements and evaluation, while it lacked an up-to-date archive of research programme outputs. Fortunately, the *Culture Hive* blog by the Arts Marketing Association, which collects several publications in a section dedicated to CPP, was invaluable for the retrieval of the documents of interest.

In parallel with the study of these documents and scientific publications on the programme, it has been possible to make a first-person observation of the local cultural and creative ecosystem. In this sense, it was particularly useful to follow the work of the local emerging Cultural Compact[6], Stoke Creates, whose board includes members of Appetite and its consortium, such as SU, KU and The New Vic Theatre. Cultural Compacts emerged in 2018 from the ACE commissioned Cultural Cities Enquiry, as an acknowledgment that what was needed was a step-change in cross-sector partnership and leadership. Stoke Creates, incorporated as a Community Interest Company (CIC) in 2021, reinforces a horizontal leadership mechanism to

[6] Cultural Compacts emerged in 2018 from the ACE commissioned Cultural Cities Enquiry as an acknowledgement that what was needed was a step-change in cross-sector partnership and leadership.

influence co-creation to make a positive change to regenerative place-making across the city and its region. An Away Day of the Board of Directors, Staff and Associates of Stoke Creates was held on 3rd of February 2023. Taking part in this meeting, it was possible to identify the connections between the different organisations that collaborate to this joint effort and the common aims that move the cultural and creative sector in this area. It was also useful to better understand the recent local history, strongly linked to the failure in the competition for the City of Culture in 2021, and the consequent reflections made, and challenges faced. The observation was carried out using detailed fieldnotes and photographs – of the whiteboard and sticky notes – taken during the participatory brainstorming sessions of the away day, which enriched the understanding of the dynamic interactions and collaborative spirit that characterised the event.

Lastly, the research included semi-structured interviews with the consortium partners (Table 1). For a comprehensive understanding, we invited both current and past consortium members to participate in the research. Indeed, the consortium is led by the New Vic Theatre, with a partnership that has evolved over time. Some organisations, such as B Arts and Brighter Future, involved in the first phase, 2012-2016, are no longer consortium partners. Current consortium partners are Partners in Creative Learning, 6Towns Radio, SU, Newcastle BID, Go Kidsgrove, and KU. Five partners out of nine participated in the study. However, the total number of Key Interviewees (KI) was six, as the sixth interviewee, a former Appetite builder, was also part of B Arts, already represented among the five interviewed partners.

Table 1. *Interviews*

	Partner	Role	Date	Length	Modality
KI-1	Appetite	Director	26/05/2023	1 h 16 m	In person
KI-2	Keele University	Development Manager for Arts & Public Engagement	05/06/2023	46 m	In person
KI-3	B Arts (Beavers Arts ltd)	Artistic and Executive Director	06/06/2023	1 h 32 m	In person
KI-4	B Arts (Beavers Arts ltd) /Appetite	Creative Producer at B Arts and Appetite Builder (2013-2016)	07/06/2023	1 h 9 m	In person
KI-5	Staffordshire University	Associate Professor (of Community and Civic Engagement)	12/06/2023	1 h 10 m	In person
KI-6	GoKidsgrove	Volunteer coordination	14/06/2023	1 h 5 m	Online

The interviews were conducted in English between May 2023 and June 2023 and lasted between 45 minutes and 1 hour and 32 minutes. They were held in person, with one exception online, and the audio was recorded, transcribed, and analysed manually.

The interviews aimed to investigate the following five aspects:

- *General Perception of Appetite:* All respondents were asked to describe their perception of the work done in the ten years of activity and to describe it by choosing only three adjectives.
- *The role and impacts of Participatory Design:* We explored interviewees' understanding of participatory design and its pros and cons in the Appetite project. Participants were asked about short-term and long-term effects on communities and consortium members, and whether their organisation had used a participatory approach before Appetite.
- *The role and impacts of Participatory Evaluation:* We first clarified each respondent's idea of participatory evaluation and discussed its pros and cons. Then we explored its short- and long-term effects on communities and consortium members. Finally, we asked whether their organisation had used participatory evaluation before.
- *The role of the Universities within the consortium:* Considering the partnership with SU, since 2013, and KU, since 2019, the intention was to deepen the perception of this collaboration by the other partners.
- *CPP evaluation compared with other ACE evaluation approaches:* This aspect was not explored with all respondents, due to its specificity.

5. Research results

Field research has returned the image of a context populated by different actors from different areas of society. As already stated, in agreement with Borin and Donato's findings, the cultural ecosystem described in this paper falls within the definition of a "culture-led" ecosystem, in which cultural organisations can play a leading role in change processes (Borin & Donato, 2022, p. 29). The current ecosystem includes citizens and communities as "active partners of cultural organisations in steering an emerging culture-led environment", and no longer "simply stakeholders of the cultural ecosystem" (Borin & Donato, 2022, p. 27). Thus, this research outlines a cultural-led ecosystem that includes, as shown in Fig. 3, a) Cultural and Creative Organisations; b) Civil Society and Communities; c) Higher Education Institutions; d) Local Government; e) Funders. In this scenario, two key events were the recent history of the area: Appetite's project and the bid for the UK City of Culture. This second moment represented a key turning point that consolidated the cooperation between diverse local actors and left a cohesive momentum, which survived failure and was still traceable.

Fig. 3 Overview of the proposed Appetite Cultural-led Ecosystem

Source: own elaboration

For clarity, the interview results presented and discussed below were organised by topic, as presented in the methodology section.

5.1 General perception of Appetite

Interviews showed a positive overall perception of the programme, both in terms of benefits for the local context and in relation to the results established and achieved by the project itself. Indeed, the work done by Appetite was described as: a) innovative and transformative (KI-2; KI-3; KI-5; KI-6); b) engaging and accessible (KI-2; KI-1); c) entertaining and spectacular (KI-4; KI-6).

All interviewees identified the primary goal of the programme, namely, to encourage greater participation in arts and culture through a community-focused and place-based approach. One respondent advanced a critical perspective on the national narrative, suggesting that the lack of cultural engagement was due to systemic disinvestment rather than disinterest from the people (KI-3), reframing the issue.

Among the limitations that emerged, was the impossibility of covering the entire area with the same success (KI-1). Moreover, the Taster Menu was a source of friction during the initial phase of the project, mostly related to the co-creation level to adopt (KI-4). One of the most complex concerns raised by an interviewee concerned the exploitative and "extractive" nature of the partnership relationship (KI-3). The issue was explained by reporting the episode when one of the local actors, already engaged in co-creative practices, identified a community need and brought it back to Appetite; this latter took charge of the issue and did not consider the possibility of responding to that need by collaborating with the partner who had reported it. The relationship established was perceived as not good and has led to a break within the first configuration of the consortium. The resulting scenario was defined by the respondent as a "pots of plants" approach, in contrast to their personal "forest" approach (KI-3). The metaphor wanted to describe how the use of the funds, which arrived in the area thanks to CPP, resembled the practice of beautifying the avenues with some pots of plants. These activities were not rooted in the area; they were self-sufficient, thanks to national support, so they were not searching for a mutual exchange with the local context to guarantee their long-term sustainability. Conversely, the image of the forest wanted to convey the multifaceted and living ecosystem structure of exchanges, contamination, and mutual support that should characterise the local sector, according to the interviewee.

To conclude, the findings showed that Appetite was perceived as innovative, transformative and highly beneficial in promoting cultural engagement through a community-focused approach. However, challenges and issues were highlighted, such as uneven success across areas, initial tensions in co-creation practices and concerns about the ability to develop integrated and sustainable partnerships.

5.2 The role and impacts of participatory design

The interviewees shared a general understanding of what participatory design meant and how it was applied to Appetite. However, it was possible to highlight the difficulty in separating the design phase from the evaluation phase. The two moments were perceived as a whole and often interchanged with each other, and so were the different tools and approaches applied to each one.

This section presents the perceived positive and negative aspects of participatory design, followed by the effects on communities and partners.

A positive factor was the sense of ownership developed by the people involved (both consortium partners and communities), and the consequent greater inclination to actively engage in the project (KI-1; KI-2), whose participatory design has been described as "very inclusive" (KI-6). However, at the same time, participatory processes can never reach the entire community, leading to the risk of making someone feel excluded and losing trust (KI-1; KI-2; KI-6). Among the downsides was mentioned also the greater expenditure of economic, human, and temporal resources (KI-4) poured into a programme from the delivery neither easy nor fast (KI-5). Indeed, according to one interviewee, in the first three years, the programme has been characterised by a large investment, which allowed to cover the expenses for unprecedented research and the involvement of participants in co-creative practices, leading to a great understanding of community's needs (KI-4). The interviewee recalled that "luxurious" moment, rich in possibilities, as unusual compared to typical working conditions characterised by scarce resources (KI-4). However, the consequent challenge was how to make that structure sustainable in the long term and maintain that level of quality even after the end of the project in the absence of resources.

Partners whose work was already based on co-creative practices have felt a kind of divergence in the initial phase setting. As mentioned above, the choice of the Taster Menu has been perceived as a deviation from the community-driven approach, and this friction has determined a first divergence between consortium members. From another point of view (KI-5), the Taster Menu, despite initial hesitation, was subsequently acknowledged as the optimal solution.

According to one respondent, the longevity of the programme was crucial to creating long-term effects on participants (KI-2).

Considering the effects on communities, the short-term effects were related to: a) the creation of a new mental openness towards "all the different types of art's experiences that are out there" (KI-2); b) a shared sense of appreciation, belonging, and empowerment (KI-1; KI-4). Interviewees also highlighted several long-term impacts on communities, noting a growing sense of ownership, belonging, and empowerment together with behavioural changes and increased confidence among residents (KI-1). In addition, locals have gained confidence in their area's ability to host excellent art forms and now "expect to see more of them in the future" (KI-6).

Subsequently, the effects of the programme on consortium members were discussed. According to one interviewee, the consortium structure implemented the confidence of some smaller partners, who felt equally involved in the dialogue and as peers from the very beginning. It was shared that the programme had allowed expanding horizons, thanks to the mutual exchange of knowledge between the various members of the consortium, leading to a consequent general growth (KI-1; KI-2; KI-5; KI-6). In the case of SU, for example, the application of Get Talking in such a large project made it possible to understand the possible limitations of the tool and how to improve it (KI-5).

One respondent reported that because of Appetite's experience, which was not entirely satisfactory for them, they decided to create a new consortium independently. When describing this effect, the respondent said it was an "unintended consequence" that shaped the future of the organisation (KI-3).

Finally, one respondent reported how working as an Appetite builder provided an in-depth understanding of the needs of the area and its communities. Although it was a personal experience not entirely satisfactory, the interviewee claimed to have learned "a huge amount very quickly", and to have transferred this learning and competence into individual practice (KI-4).

In conclusion, the participatory design of Appetite has fostered a strong sense of ownership and involvement among community members and consortium partners, contributing to long-term impacts such as empowerment, increased confidence and behavioural changes in the community. However, several challenges were also identified, including a) the difficulty of providing initial support for practices that require resources; b) the challenge of reaching all members of the community inclusively; and c) the challenge of aligning partners' different expectations. In conclusion, the longevity of the programme and the mutual exchange between members of the consortium were instrumental in promoting growth and learning. Indeed, some partners even adapted their practices and created new initiatives based on their experiences.

5.3 The role and impacts of participatory evaluation

The topic of participatory evaluation needs a brief reminder of how evaluation has evolved within the project. Appetite first started with a strongly qualitative co-created evaluation, which characterised the first three years of the project. As mentioned in the research context, this evaluation failed to meet the demands of large numbers of quantitative data requested by ACE, necessitating a change towards more quantitative data collection.

Among the six respondents, only one respondent (affiliated to a new consortium member) was unable to give an immediate definition of participatory evaluation and requested further clarification on the question. When recalling this first phase of the evaluation, one of the respondents pointed out that it was a sort of victory to see for the first time legitimised that type of evaluation, which they, as an organisation, had "always wanted to do", and had always done (KI-3). Another said it was nice to see the "creative outcomes" of the evaluation (KI-4). Moreover, it emerged also a perception of the participatory tool as a means of redistribution of power, which moved from a pyramidal configuration to a circular one; a change that was possible only if the tool was used genuinely and not tokenistically (KI-3).

Another interviewee noted that the participatory approach to such a large-scale programme risks disappointing participants and failing to meet their expectations. One of the early events illustrates this tension: the local population expressed a desire to self-create artworks, but this request from

ACE was rejected, as the programme was not conceived as a participatory art initiative but as an audience engagement programme. This response led to a significant loss of public trust and damaged the credibility of the programme, reinforcing the perception that participation was merely tokenistic (KI-5).

In brief, the advantages of participatory evaluation, as perceived by the sample, were its accessibility and capacity to engage hard-to-reach groups, foster trust and encourage participation in evaluation (KI-1; KI-2; KI-6). It was "quick" and "fun" and stimulated contributions, overcoming participants' mistrust by integrating evaluation into the creative process (KI-1; KI-4; KI-6). It encouraged listening, open dialogue, critical thinking, and active engagement (KI-1; KI-2; KI-4; KI-6) and facilitated a city-wide conversation about the arts (KI-5). Furthermore, it was deemed suitable for longitudinal studies (KI-3).

The interviewees identified several potential weaknesses in participatory evaluation. These included the risk of not obtaining sufficient data and not gathering demographic information (KI-1), the possibility of the process being perceived as "tokenistic" (KI-5), and the overwhelming sense of responsibility and accountability on the part of evaluators towards communities (KI-5). It demanded considerable financial, temporal, and human resources (KI-1; KI-2; KI-4). Furthermore, some initial creative tools were perceived as "childlike" and this could alienate participants from the evaluation or diminish its credibility (KI-5). However, this risk was mitigated by the involvement of professional artists (KI-5). Yet, when participatory evaluation involved an artistic product, it had to be in line with the spirit of the event, thereby intensifying the workload (KI-1).

Regarding the impact of the participatory assessment on the members of the consortium and communities, one of the respondents had recently had a meeting with the trainer of the Appetite builders, who stated that one of the builders still used what learned during that training (KI-1). The same respondent also knew that other partners treasured and still used some of the methods learned and implemented during the project. This idea was confirmed by two other interviewees (KI-3; KI-4).

The effects of participatory evaluation on communities and partners were mostly perceived as positive and useful "in building critical thinking in the community", and "better social connections" (KI-1).

From the point of view of the internal management of the organisation, the adoption of these tools then led Appetite to always look for a way to collect that kind of knowledge from participants and partners and consequently incorporate it into the mechanism of continuous improvement (KI-1). One of the partners said they benefited from the evaluation done by Appetite to better understand the local context and "implement their own practice" (KI-4).

Finally, one interviewee emphasised how the existence of Appetite led to a strong awareness in the area and how, together with the presence of BCB[7], it made the subsequent competition for the City of Culture possible. The respondent pointed out that "having those things" demonstrated that the "city could deliver large-scale programmes" and that, locally, there were "tried and tested tools in terms of engaging communities in conversations about culture" (KI-3).

In conclusion, the results of this section demonstrated that participatory assessment within Appetite has yielded considerable benefits, including a) the promotion of trust; b) the encouragement of participation; c) the development of critical thinking; and d) the fostering of social connections within the community. This approach has been demonstrated to be accessible and engaging, integrating evaluation into the creative process and supporting continuous improvement. Nevertheless, the potential for tokenism, the necessity for resources and the initial alignment with community expectations highlighted the difficulties of implementing large-scale participatory approaches. Notwithstanding these challenges, implementing participatory evaluation has reinforced the local cultural infrastructure, enhanced the quality of practice among partners, and contributed to the area's capacity to host large-scale cultural programmes.

5.4 The role of the universities within the consortium

The participation of the two universities was different in terms of both time and content of the partnership (KI-1; KI-5). SU played a key role in the first 6 years of the programme in which it took care of the evaluation and "shaped the methods of consultation with communities" (KI-1). To date, SU's contribution to the consortium is not as clear as it was in the first six years, and it can be "more fruitful" and engaged (KI-5; KI-6).

On the other hand, KU only joined the consortium in 2019 and aspired, through its work with Appetite, to connect the university (campus, students, and staff) to the city and communities of Newcastle-under-Lyme (KI-1; KI-2). As one interviewee stated, it was about "positioning the university more in a community and a cultural place in people's minds" (KI-4).

Even if a partner acknowledged that "as an organisation", they "haven't particularly benefited from the university's involvement", they still thought that it was "invaluable to have them as part of" the consortium (KI-6).

Collaboration with universities brought several positive aspects, such as reaching a wider audience and gaining greater visibility (KI-1; KI-3; KI-5; KI-6), adding "gravitas" and reliability to the project (KI-1; KI-2; KI-3), and creating new opportunities by diversifying funding possibilities (KI-2).

[7] British Ceramics Biennal.

However, there were also difficulties in engaging with universities, such as the complexity of interacting with such large organisations and their agendas. Furthermore, there was the risk of the relationship becoming perceived as "extractive" due to a non-cooperative way of working that drives the university and the individual dimension of research and its impact (KI-3).

The findings of this section demonstrated the distinct contributions of the two universities involved in Appetite. SU assumed a pivotal role in developing evaluation and consultation methods during the initial stages of the programme, whereas KU joined at a later stage and has concentrated its efforts on fostering connections between the university and the local community. Collaboration with universities has resulted in notable benefits, including enhanced visibility, credibility, and diversified funding opportunities. Nevertheless, the difficulties of aligning with the agendas of larger institutions and the risk of perceived extractive relationships demonstrated the complexities inherent in university partnerships. Notwithstanding these difficulties, the involvement of academic institutions was considered a vital asset for the consortium.

5.5 CPP evaluation compared with other ACE evaluation approaches

Due to its specificity, this aspect was investigated with a limited number of respondents. Consortium members from the early days showed greater awareness around evaluation requirements from ACE, whereas newer Appetite partners lacked this understanding. The ACE's demand for extensive quantitative data was perceived as challenging for the consortium (KI-1).

Additionally, learning on participatory practices, produced within CPP, was shared by ACE only between CPP projects and not with the whole sector or with NPOs (KI-3).

A significant limitation was linked to the financing structure: Appetite was part of a funding plan for audience development, and this made it impossible to pursue some of the lines that emerged from the wishes of the community, such as actively engaging in the arts, because CPP was not a participatory arts development programme (KI-3; KI-5). This division in the funding scheme was functional and necessary, but the resultant obstacle was not easy to communicate to participants and generated a loss of hard-won trust.

One interviewee affirmed that CPP ended up "creating clones", as ACE, instead of consulting the participatory knowledge already consolidated in previous experiences, preferred to build an audience development programme from scratch, leading to redundancy in many areas (KI-3).

The 10-year consistency of the three core evaluation questions[8] was regarded as a positive aspect, as it has facilitated the continuity of the work and enabled the data to be comparable over time (KI-3; KI-5).

Finally, comparing the CPP evaluation with the one required for the NPOs, the perception was that the attention given to the qualitative dimension of CPP projects was then absent in the NPO assessment. According to one interviewee, that kind of conversation should also happen around the work of NPOs (KI-3).

A final reflection about the new ACE's strategy, Let's Create, has been made by one of the interviewees, regarding the strong focus on "co-creation and working with people who've been traditionally excluded and not represented in the arts". The respondent argued that, despite this attention, ACE is still monitoring and evaluating with a kind of "one-size-fits-all" approach, just looking at tickets, reservations, and numbers; then, the interviewee added how strange it was that they did not realise the contradiction that this evaluation created with the mission of the strategy (KI-4).

This concluding section of the results elucidates the principal challenges and opportunities inherent in comparing CPP evaluation with other ACE evaluation approaches. While the consistency of the ten-year CPP evaluation questions was commended for facilitating continuity and comparability, the demand for extensive quantitative data and the disconnection between funding structures and community aspirations were identified as significant challenges. Furthermore, the lack of wider dissemination of participatory knowledge beyond CPP projects and the perception of redundancy in ACE's audience development programme were identified as additional limitations. In addition, the qualitative focus used in CPP evaluations is not found in NPOs' evaluations, suggesting a lack of opportunity for wider sectoral learning. These insights underscored the necessity for ACE to align its assessment methodologies more closely with its mission, as reflected in the Let's Create strategy, in order to prevent contradictions between its objectives and monitoring practices.

6. Discussion

The research results show a rich and interconnected cultural-led ecosystem that certainly places Appetite among its cornerstones as one of the

[8] The ACE's general evaluation of the national CPP programme was guided by three core questions, namely: 1) Are more people from less committed places experiencing and being inspired by the arts through CPP? 2) To what extent has the aspiration of CPP for excellence in the arts and excellence in community engagement been achieved? 3) Which approaches to involvement, inspiration and excellence have been successful?

earliest learning initiatives into participatory approaches for content production and evaluation.

In the next section, following our research questions, we return to what emerged on good practices, challenges, and impacts generated by the programme, classifying this information according to the different spheres of the previously presented cultural-led ecosystem. Indeed, Appetite has had a demonstrable influence on various sections of society, including a) Creative and Cultural Organisations; b) Civil Society and Communities; and c) Higher Education Institutions, Funders and Local Government.

6.1 Creative and Cultural Partners

The programme has benefited partners and provided a step change in confidence in embedding participatory approaches in various processes for cultural initiatives. Appetite consortium obtained knowledge and competence in using participatory approaches. This learning would have been unattainable without the CPP extraordinary investment.

As Gratton and Reynolds (2022) already pointed out, the interviews also showed challenges in using Get Talking for Appetite. First, the highly creative and qualitative nature of the method was unsuitable to meet the demands of a large sample of data desired by ACE. Secondly, evaluating many activities in a short time required a huge commitment from the people involved, very often volunteers who felt subjected to a lot of stress. Thirdly, the small community research team could not engage at all stages of the evaluation, and ended up mostly participating in the data collection, which is the listening phase of Get Talking. Consequently, because of these difficulties, the method was first implemented and adapted in the second and third years and finally replaced in subsequent evaluations.

From the interviews, it emerges that the co-created approach, first rooted in Appetite, was seen to lose its central role and was consequently perceived to be adopted as a philosophy rather than as an operational paradigm. The risks associated with adopting participatory processes are not limited to the tensions when needing to respond to requests of funders. Indeed, the controversy around the Taster Menu illustrates the inherent complexity and delicacy of aligning the diverse perspectives of consortium members and the funder on the concept of co-creation and its practical implementation. There is the risk of projecting a potentially controversial image of the project, unfaithful to professed principles and tokenistic in its use of participation, reduced to a buzzword. The already present and deep-rooted knowledge about the use of co-creative practices made local actors, involved in the consortium, very competent and raised their expectations for participating in the project. This might have led to a naturally occurring divergence and a subsequent split that can be perceived as a weakness of Appetite or, alternatively, as a source for evidencing the polyphony of needs and desires generated in the area.

However, in the competitive context created, Appetite is seen as a two-faced Janus. On the one hand, its beneficial contribution to the area is undisputed and acknowledged, while on the other, its limits in terms of impact on the ecosystem are under the spotlight. The programme is sometimes perceived as an advantaged competitor in the local context, which benefits from substantial national investment to deliver a product whose vision is close to other cultural actors in the region, often competing for the same central funding.

This polarisation is triggered by the mechanism of the extraordinary funding programme, which leads to intense competition in a context that was not only suffering from prolonged structural disinvestment but also labelled as a low cultural engagement area according to the "deficit model" (Miles & Gibson, 2016, p. 151). This context would, perhaps, benefit more from widespread reinvestment rather than a massive flow of funds focused on a single actor. Undoubtedly, in this framework, Appetite proves to be a great showcase for the area, which, through the great lens of CPP, can put in place a great project and can rehabilitate itself as a place of culture and creativity, to gain new visibility in the national landscape.

Finally, a reflection on the approach to the evaluation emerges from the study. The ability to build a conversation through results, without limiting it to mere numerical data, seems to be the wish of all. The consortium members and the NPOs interviewed liked a way of working that involves starting with a dialogue with ACE, focusing on measuring long-term changes and making them feel part of a sector that compares and grows together, caring for the qualitative as well as the quantitative.

6.2 Civil Society and Communities

The following reflection on Communities and Civil Society is limited in scope as it is based solely on the present research, which did not focus on this aspect. However, it is important to note that this perspective should be thoroughly studied in the future.

From the point of view of consortium members, it emerges that the application of participatory tools, both for design and evaluation, has led to a good level of co-creation since they allowed to reach and engage groups otherwise cut off, to create an equal and collaborative atmosphere, and to build a shared place-based project with the communities involved. The role of Appetite builders emerges as fundamental in bridging cultural organisations and communities. They fulfilled a mediating role (Bonet & Négrier, 2018), facilitating the reporting of the cultural aspirations of the communities and their actualisation, thanks to Appetite, and fostering a process of cultural democracy. It is recognised that participatory evaluation has the potential to be a tool of democracy, able to collect feedback from all, tearing down access barriers that are embedded in other tools, such as surveys or formal evaluation. Increased ownership and a renewed sense of belonging and identity are among the benefits triggered by the participatory processes used. However, participatory tools have their limitations, as they can only involve a small number of people to be sustainable, which creates a risk of excluding a part of society and generating disappointment. Transparent protocols and clear communication processes are useful tools to mitigate this risk. Nonetheless, they cannot guarantee the avoidance of a tokenistic perception of participation.

6.3 Higher Education Institutions, Funders and Local Government

That Appetite has made an impact on the perceptions of place is evident in the reflections made on the City of Culture competition (2021), which stressed that having had the experience of Appetite, alongside the British Ceramics Biennial (BCB), has provided immense credibility to the area, without which competing for City of Culture would not have been possible. Thus, Appetite represented a step change in the adoption of and the normalisation for embedding participatory approaches, also raising expectations of partners, cultural actors, civil society, and anchor institutions such as universities, as well as, to a certain extent, local government.

Due to this increasing confidence in embedding and demanding participatory, culturally oriented place-based arts initiatives, large-scale partnerships that addressed these ways of working emerged.

In 2019, a large partnership consortium emerged to secure Arts-Council funding as its largest senior leadership programme for cultural actors focusing on placemaking and co-creation. Create Place, the co-creation and placemaking leadership programme was led by SU and was run by a large project consortium of 16 partners, that included all NPOs of both Stoke-on-Trent and Cheshire East at the time, the city councils, chambers and both Universities, as well as Appetite (Stoke-on-Trent region) and Spare Parts (Cheshire region) as two non-constituted participatory-oriented initiatives. This leadership programme ran for three years, supporting another step change in confidence, sharing knowledge and skills for cultural leaders desiring to work this way. The leadership programme itself was designed with an underpinning concept that was aligned to Culture 3.0, that of Boehm's University 3.0 (Boehm, 2022). This in turn applied co-creation of knowledge and learning in its central design ethos.

In 2020, various partners came together to form a Cultural Compact, finally being incorporated in 2021 as a CIC (Community Interest Company), with almost the same partners as the Create Place leadership forum or the City of Culture bid consortium, now adding the YMCA and the Local Cultural Education Partnership to the group. Thus, the Cultural Compact had all three pillars of ACE-supported place-based initiatives (CPP, LCEP, Cultural Compact) represented, in addition to local authority representatives, NPOs, chambers and universities. Stoke Creates quickly became the major consortium-based entity to be given the confidence to handle large-scale, levelling up investments that individual organisations would have more difficulties in applying for. By 2023, it had successfully secured ca £2 Million of investment, working with many smaller cultural organisations in the region.

In October 2023, the city, led by Stoke Creates, successfully submitted to become World Craft City, an initiative seen as the next internationally strategic, city-wide cultural act to make its confident mark on the world.

This trajectory of "leaning into" Stoke-on-Trent's strength of participatory, co-creative and co-production practices started long before Appetite emerged on the streets of the 6 towns of Stoke-on-Trent, but it demonstrably signified a step change in awareness of what participatory processes could do for the city's arts-led re-envisioning of this place. Other organisations, not just cultural ones, were also adopting rigorous participatory models.

Both universities in the area, KU and SU, had their own trajectories that were given additional buoyancy through the Appetite programmes.

KU established its Community Animation and Social Innovation Centre (CASIC) in 2014, in collaboration with the New Vic Theatre, the organisation that hosted and led he initiation of the Appetite programme. The centre developed its own unique methodology of knowledge co-production, branded Cultural Animation[9]. Its legacy lives on in its current Co-Create Centre[10], continuing where CASIC left off in 2021/22. Along the way, these initiatives also fed into Keele Deal Culture (2019), a unique expression of the university's commitment to culture-led, place-based strategies as part of Keele's civic university mission.

SU has had a long history of socially engaged practice and projects. The CCU had been working in this area since ca. 2005, with the Get Talking method being developed in a project in Shelton and continued to be applied by Quality Streets in 2010. It became a go-to method for community researchers, with external organisations commissioning the CCU to evaluate many of their projects, such as, for instance, First Art of Creative Black Country in the first 10 years of Get Talking's development. And also, the ArtCity project mentioned earlier, funded by the Esmee Fairbairn Foundation, used Get Talking as part of its methods. The CCU unit closed in 2018,

[9] https://www.keele.ac.uk/casic/#
[10] https://www.keele.ac.uk/cocreate/

but the main actors spread those methods throughout the university, with Gratton taking the lead in developing the University's Civic University Strategy by connecting it to a Connected Communities Framework[11].

Beyond this, the demonstrability of using participatory processes in both the design, delivery and evaluation has had a bidirectional influence on the Arts Council ways of supporting cultural activity itself. The learning made in the various CPP programmes, including Appetite, allowed ACE to much more confidently understand how co-creative and participatory elements in a cultural policy are demonstrably linked to positive impact and can achieve quality at the same time (Blackman, 2022).

Co-creation, participatory ways of working, Culture 3.0 conceptualisations of cultural engagement are here to stay, and its working practices include the dimensions of ideation, curation, content production, delivery, research, and evaluation. The Appetite programme, together with its engagement in participatory approaches, contributed significantly to embedding these kinds of approaches in the region, which is now nationally increasingly known for its socially engaging cultural ecosystem.

7. Conclusions

The study presents some limitations. Firstly, not all consortium partners participated in the study, potentially influencing the comprehensiveness of the findings. Moreover, the interested communities have not been the subject of the study, while their points of view deserve a proper deepening.

Despite these limitations, the implications drawn from the study are noteworthy. The research highlights the benefits and risks of applying participatory tools to large-scale programmes, with consequent managerial implications. In particular, the research examined the point of view of heterogeneous governance, contributing to a wider understanding of the potential impact of participatory processes.

Undoubtedly, exploring community perspectives and a multiple-case analysis can enhance our knowledge of community-based participatory research within CPP. Moreover, the role of universities in contributing to participatory approaches merits further investigation to strengthen the basis for future collaborative efforts.

[11] https://blogs.staffs.ac.uk/connections/connected-communities-at-staffordshire-university/

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CULTURAL ENTREPRENEURIAL OPPORTUNITIES: A BUSINESS NETWORK PERSPECTIVE

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Abstract

Purpose: *This paper aims to investigate how the entrepreneurial network can support the exploitation of cultural entrepreneurial opportunities. In particular, this paper analyses the foundation of a startup belonging to the CCIs and its evolution in the early-stage.*
Design/Methodology: *TThis study adopts a qualitative research approach and a case study design. The case study concerns a film-startup in the audiovisual industry that has reached its early stage. The startup founded its development on business and non business relationships with key organizations in the Lake Como area. Qualitative data were collected through semi-structured interviews. Primary and secondary data were integrated.*
Findings: *Findings reveal that exploiting cultural entrepreneurial opportunities requires a shift from an individual perspective to an interorganizational perspective, considering the development of business and non business relationships with heterogeneous stakeholders. In particular, local relationships based on regional values encourage the transition from local cultural opportunities to cultural entrepreneurial opportunities, creating a virtuous circle: CEOs generate a positive impact on startups and business activities in the territory. The combination of geographical and cultural proximity with relational proximity has fostered the relationships that characterize the network context, improving the sense of collectivism even within organizations.*
Practical and social implications: *Exploiting cultural entrepreneurial opportunities requires combining heterogeneous competences through interorganizational relationships. The integration of cultural and business goals that characterize cultural organizations is based on the development of business and non business relationships with different organizations. Mapping key actors and innovative networking practices can improve the achievement of cultural and business goals.*
Originality of the Study: *This study contributes to the analysis of cultural entrepreneurial opportunities generated at meso level, considering the collaboration between a new CCIs venture and various organizations belonging to the territory. Furthermore, the paper responds to the call for an in-depth analysis of how actors work collectively to support the development of new entrepreneurial ventures. Differently from previous studies focused on inidiviual-micro level, this paper considers the inter-organizational perspective in cultural entrepreneurship.*

1. Introduction

Over the years, scholars and public and private organizations have paid increasing attention to the cultural entreprenership field, considering the growing importance of the quaternary sector of the economy (Albinsson, 2017).

Introduced by DiMaggio (1982), cultural entrepreneurship has been characterized by various interpretations, including "the specific activity of establishing cultural businesses and bringing to market cultural and creative products and services that encompass a cultural value but also have the potential to generate financial revenues" (Dobreva & Ivanov, 2020, p.1).

Cultural Entrepreneurship has been studied by both management scholars and cultural scholars, and all of them have recognized the key role of the cultural entrepreneur (Cnossen et al., 2019; Schiuma & Lerro, 2017). Cultural entrepreneurs have been considered as business thinkers, responsible for creative and economic sustainable business ventures, and thus who combines cultural goals and business goals (Näsholm & Eriksson, 2023). Cultural entrepreneurs integrate knowledge and sensitivity relating to the arts and creative processes, with the analysis of potential stakeholders and marketing strategies (Orihuela-Gallardo et al., 2018).

More recently, some scholars have begun to investigate cultural entrepreneurial strategies generated at meso level (Landoni et al., 2022), considering the interaction between the entrepreneurs and other actors (Santarsiero et al., 2021).

Moving from interpersonal relationships to interorganizational relationships, this paper aims to investigate the role of entrepreneurial network in exploiting cultural entrepreneurial opportunities (CEOs). This paper aims to contribute to research on emerging trends in collaboration between CCIs organizations and other firms (Lerro et al., 2022), also considering that local interconnections facilitate creativity and support the concentration of CCIs (Dellisanti, 2023).

As anticipated in previous research, cultural new ventures are influenced by the interconnected relationships that characterize the evolving context (Pagano et al., 2018), based on the interaction perspective described by the Industrial Network Approach (Aaboen et al., 2017; La Rocca et al., 2013). Interconnected business relationships outline a value network founded on collaboration (Håkansson et al., 2009).

In this context, the research question is: How can the business network support the exploitation of cultural entrepreneurial opportunities?

The research is based on a longitudinal case study of a film-startup that updated its business activity till early stage, on the basis of the ideation and management of a local cultural event. Based on interconnected relationships with business and non business organizations, the startup identified local cultural opportunities and transformed them into cultural entrepreneurial opportunities. These generated benefits both for the startup's business and for the local economy, creating a virtuous circle.

According to findings, the relevant relationships that characterize the cultural network context showed geographic, cultural and relational proximity that favoured the sharing of tacit knowledge, as well as the identity of the territory and its values. These relevant local relationships generate the configuration of collectivism within the network context.

The remainder of this paper is structured as follows. In the next section, the paper focuses on the key pillars of cultural entrepreneurship and the exploitation of entrepreneurial opportunities from individual to interorganizational perspective. In Section 3, the paper presents the method adopted for empirical analysis, while the findings are illustrated in Section 4 and the discussion in Section 5. Section 6 presents the conclusions and implications and proposes the limitations and future directions of the research.

2. Theoretical background

2.1 The key pillars of cultural entrepreneurship

Cultural entrepreneurship was introduced by DiMaggio in 1982 to highlight the emergence of an area of creation of a "high culture" linked to art and music.

Cultural entrepreneurship (CE) is the result of combining entrepreneurship and culture. The field of entrepreneurship has been defined as the study of how, by whom, and with what effects opportunities to create goods and services are discovered, evaluated, and exploited (Shane & Venkataraman, 2000). Entrepreneurial activity also includes the creation of a new organization through which an innovative idea can be implemented (Hausmann & Heinze, 2016). In addition, in its broadest sense, culture is considered to be the set of spiritual, material, intellectual and emotional characteristics that distinguish a society or social group. It encompasses the arts and literature, lifestyles, human rights, value systems, traditions and beliefs (Unesco, 1982).

Over the years, scholars have provided various definititions of CE (Dobreva & Ivanov 2020; Albinsson, 2017) that share certain commonalities, which can be synthesized in the following pillars.

The first, CE combines culture and business, generating economic value while preserving and promoting culture. Combining the field of entrepreneurship and culture, CE examines how cultural products, such as art, theatre, and literature and cultural activities like music, film events, have an impact on the growth of local, national, and global economies. As described by Kimmitt and colleagues (2024), cultural entrepreneurship has been considered as “a strand of research viewing culture as a rich and flexible ‘repertoire’ of elements that entrepreneurs can use to gain the approval and support of key stakeholders through entrepreneurial storytelling” (Kimmitt et al., 2024 p.1036). Furthermore, CE is founded on a process that involves the creation of organizational forms, the production and distribution of cultural products (Gehman & Soubliere, 2017), defined as “nonmaterial goods, directed at a mass public of consumers, for whom they serve an esthetic, rather than a clearly utilitarian function” (Hirsch, 1972, p.639). From this perspective, cultural resources legitimate new practices that enhance relationships with audiences (Hedberg & Lounsbury, 2021).

The second, CE is characterized by innovation. Cultural entrepreneurship has been identified as an innovative activity that generates cultural value through the creation of novel cultural products, services, or forms (Askin & Mauskapf, 2017). Culture, art and creativity promote innovation by providing input for the launch of new products and services in other sectors (Petrova, 2018). Furthermore, new technology supported the development of new cultural solution characterized by the integration of products, services and experiences (Kohn & Wewel, 2018). In addition, the intersection of creativity and entrepreneurship relates to the configuration of innovative business model (Dobreva & Ivanov, 2020; Fontainha & Lazzaro, 2019) as well as to the emerging of new ventures in cultural fields (Lounsbury & Glynn, 2019).

The third, CE has a social impact, as cultural entrepreneurs can support positive social change. Cultural entrepreneurship and sustainable business models have been considered crucial for sustainable transitions. In addition, cultural entrepreneurs can generate new jobs, ecnomic growth and social cohesion (Stokes & Wilson, 2010).

The fourth, the strong connection between the CE and the territory. CE has a key role for regional and urban development and planning (Qian & Liu, 2018), generating a competitive advantage in the territory where it is developed (Purwaningrum et al., 2022).

The fifth, the key role of cultural entrepreneur. In different interpretations of cultural entrepreneurship, a key role has been recognized to cultural entrepreneur characterized by different titles such as cultural capitalist, culturepreneur, arts entrepreneur, and creative entrepreneur. Considering the different perspectives on CE, from making culture, to deploying culture, to cultural making (Gehman & Soubliere (2017), different roles have been recognized for cultural entrepreneurs. In the first stage of CE evolution (CE 1.0), cultural entrepreneurs belong to the cultural sphere and cultural industry. This interepretation relates to the Cultural Entrepreneurship 1.0 that concerns making culture (DiMaggio, 1982), considering the highbrow organizations such as museums, opera houses, symphony halls, and theatres, as elite art institutions and products. In the second stage (CE 2.0) entrepreneurs manage a set of tools to interact with audience (investors, customers employees). Cultural Entrepreneurship 2.0 focuses on deploying culture, by legitimating new ventures, or new markets (Martens et al., 2007). In the third stage (CE3.0) entrepreneurs have identified culture as a medium and culture as an outcome, considering cultural entrepreneurship as a distributed process, whose value is created by different repertoires (Gehman & Soubliere, 2017). These latter are considered as "a set of knowledge, skills, and symbols that provide the materials from which individuals and groups construct strategies of action, compose a "cultural toolkit" that people mobilize to inform their behaviors (Swidler, 1986)" (Zilberstein et al., 2023, p. 349).

Some scholars have described conflicts between traditional entrepreneurs and cultural entrepreneurs (Arenius et al., 2021; Brattström, 2022), while others have argued that cultural orientation and business orientation can coexist (Näsholm & Eriksson, 2023), especially in young entrepreneurs (Schediwy et al., 2018).

A common denominator of the definitions provided for CE is the theory of entrepreneurship and, therefore, a set of activities aimed at harnessing a cultural business opportunity.

2.2 Entrepreneurial opportunities: from an individual to a network perspective

The opportunity was considered the starting point of the entrepreneurial process. Schumpeter (1965) defined entrepreneurs as individuals who exploit market opportunity through technical and/or organizational innovation. Since the late 1980s, research on entrepreneurship has focused on behaviour geared toward opportunities for creating new businesses, entering new markets, and launching new entrepreneurial ventures (Stevenson & Jarillo, 1990).

Over the years, the opportunity concept has been associated with something new or novel (Bai et al., 2018), and its identification has been considered as a prerequisite for a firm's growth and expansion (Bai et al., 2018).

In a general perspective, scholars considered that opportunities can be discovered or created. The discovery thinking outlines that opportunities exist out there in the market (Alvarez & Barney, 2010) and that they are discovered serendipitously or by active search (Ramoglou & Tsang, 2016). In a different way, the creation thinking outlines that opportunities are created/co-created through relationships and interactions between stakeholders. Other scholars have suggested that discovery and creation opportunity thinking are complementary and intertwined in entrepreneurial action (Mainela et al., 2014).

At the individual-micro level, the identification of entrepreneurial opportunities depends on entrepreneurs' persistence, self-regulation, and efforts, alertness (Kirzner, 1997), self efficacy and entrepreneurs' passion (Cardon & Kirk, 2015). The recognition of opportunities and planning for new business idea are determined by entrepreneur as individual (Pfeilstetter, 2021). Entrepreneur is considered as "bricoleur, who is able to combine whatever is at hand" (Lvi-Strauss, 1966, p.17). In this vein, good cultural entrepreneurs have been identified in those who are alert to opportunities (Klamer, 2011).

Moving from individual level to interpersonal relationship level, relationships ties facilitate the sharing of information and other resources for cultural entrepreurs (Klamer, 2011; Granovetter, 1973). The embeddedness of the entrepreneur in social and institutional relations outline the collectiveness in entrepreneurship (Etzkowitz & Klofsten, 2005). Collective entrepreneurship relates to synergism that emerges from a collective by seizing opportunities overcoming resources under control (Yan & Sorenson, 2003; Qian & Acs, 2022). According to Yan and Yan (2016, p.1057), collective entrepreneurship is founded on "different talent, creativity, knowledge and experience, which spreads into a collective, to create a whole that is greater than the sum of individual contributions". Opportunity development is considered a social and cultral process in which opportunities are created through continuous interaction based on social relationships between the entrepreneur and the personal network. Particularly the entrepreneurial activities and the creation of the firm are influenced by geographically localized social contacts (Sorenson & Audia, 2000).

Moving from interpersonal relationships to interorganizational relationships, connecting to a business network is a relevant condition for the development of a new venture (Aaboen et al., 2013). The interconnected business relationships outline a value network founded on collaboration (Håkansson et al., 2009), through which actors share resources and develop activities, as depicted in the Actor Resource Activity Model (ARA) by IMP (Industrial Marketing and Purchasing Group). Access to external resources through networking enables new ventures to reduce the time and cost required for innovation commercialization and diffusion (Aarikka-Stenroos et al., 2017). In this sense, the new business formation is a process of combining resources characterizing different organizations (Ciabuschi et al., 2012; Baraldi et al., 2019) based on networking that is founded on interaction with stakeholders (Ford & Mouzas, 2013). The development of the firm's business has been considered as an outcome entrepreneur's networking behavior in opportunity development (Mainela, 2012). In the IMP perspective, the opportunity is related to the variety within business landscape. Organizations interact with each other over time and in different areas to take advantage of the relationships they have established. Adaptation made in relation to each other is relevant and it can be carried out to decrease or to increase variety (Håkansson et al., 2009).

3. Methodology

3.1 Research methodology

This study aims to investigate how entrepreneurial network can support the exploitation of CEOs. Particularly, this research analyses the case of a cultural startup whose evolution was strongly influenced by a local cultural event.

This paper applies qualitative research (Eisenhardt & Graebner, 2007; Dubois & Gadde, 2002) and a case study design (Harrison & Easton, 2004; Barratt et al., 2011) based on the analysis of interorganizational relationships, as generally adopted in in business network research (Halinen & Tonroos, 2005). The case study is considered as a useful method to summarize the general strategy behind the business phenomena (Li et al., 2020) and thus to explain "why" and "how" CEOs can be exploited through the entrepreneurial network.

Through systematic combining, explorative research has made it possible to investigate phenomena that are inseparable from their context (Piekkari et al., 2010; Järvensivu & Törnroos, 2010). In addition, the adoption of a longitudinal analysis facilitated the understanding of phenomena. According to Snehota (2011), "an effective analysis of new business cannot be limited to structural explanations but has to consider the time dimension: it begs to take into account how it is likely to affect other businesses over time" (Snehota, 2011, p.5).

3.2 Case study selection

Following a "portfolio" approach (Ritter et al., 2004), the case study relates to a cine startup aimed to create a platform that supports the interactions of players belonging to the audiovisual industry.

Over the years, the development of the startup and the changes in its business have been strongly influenced by a local event. Particularly, the startup's evolutionary stages based on inter-organizational relationships, which allow the exploitation of CEOs. Interconnected relationships supported the activation of a virtuous circle that generated benefits for the startup as well as for the territory.

Furthermore, interconnected relationships have fostered convergence between various sectors (tourism, arts and culture, innovative services, hospitality) within the region, enabling the creation of an innovative system of film tourism and film production.

The case has been chosen in the light of its distinctive features. As stated by Siggelkow (2007, p.20), "a single case study is very special in the sense of allowing one to gain insights that other organizations would not be able to provide". The case adds knowledge about relationships between business and non-business actors in the exploitation of CEOs, making it valuable from a network perspective. In addition, the cultural industry is interesting from a process perspective, as it has undergone profound changes in recent years.

Particularly, the startup belongs to the Como Lake territory and refers to Lombardy Region. Como Lake is a reference for operators and institutions in the national and international film industry, as well as it is recognised by global tourism. Lombardy Region is characterized by the concentration of one of the major European hubs of the television industry, advertising production, post-production and multimedia.

3.3 Data collection and data analysis

Data was collected mainly through a series of continuous observations over a period from January 2023 to June 2025, during which time a total of 11 semi-structured interviews were conducted with cultural startup entrepreneur, the main organizations involved in its launch and development, and experts. Key firms have been identified using snowball sampling. The first interviews relate CN Innovation Hub and CN Incubator, then the cine-startup. After these interviews, followed interviews with LFairs, a local organization that promotes the territory and that was involved by the founder in the cultural event. Informants were the founder of the startup, the head of incubation of the innovation hub, innovation managers, the president of the territorial association. In addition, 2 interviews were conducted with experts in cultural entrepreneurial context to better understand the national cultural context (Table 1).

Table 1 *– The interviews*

Firm	**Interviewees responsibilty**	**Number of interviews**
Cine startup	Founder of cine startup	3
CN Incubator	Head of Incubation	3
CN Innovation Hub	Innovation manager 1	1
CN Innovation Hub	Innovation manager 2	2
LFairs	Manager	2

The main topics of the interviews concerned the foundation and the evolution of the startup, the key organizations involved in the cultural event that was instrumental in the launch and development of startup, the main resources shared, and the main activities developed by key organizations involved. Furthermore, with key informants belonging to the incubator and the innovation hub, questions were about the innovative projects and services provided to startup, while for experts, questions concerned the entrepreneurial innovation. In addition, 4 incubator visits supported the analysis.

Interviews typically lasted from 45 minutes to 2 hours and took place on site or via online video calls. The interview guides were prepared before each interview and then modified based on the results of the previous interviews. Primary data were combined with secondary data. Firms' and industry websites were analyzed before the interviews. Secondary data also included presentation materials as well as industry reports, media articles and press releases and other text-based documents. The data collection was therefore based initially on the content of secondary source and then was enhanced by long interviews. All the material was analyzed to gradually refine the framework.

Data analysis followed the case study approach, considering the main stages of startup evolution: business idea and business plan configuration, startup foundation and launch, and early stage. Based on the ARA model (Håkansson et al., 2009), the analysis describes the key actors involved, resources shared, and activities developed. In addition, for each stage, the study identified local cultural opportunity and the entrepreneurial cultural opportunity. The ARA model allowed the analysis of key relationships and their impact on CEO exploitation (Appendix 1).

3.4 Research context

The cultural and creative industries (CCIs) represent approximately 3.95% of EU value added and employ around 8 million people, including around 1.2 million firms, over 99.9% of which are small and medium-sized enterprises (SMEs) (European Commission, 2021). Focusing on the Italian innovative startups, 37.7% of these startups, nearly four out of ten, belong to cultural and creative industries (MISE, 2021). Considering the main challenges faced over the last four years, the pandemic period has required significant change in the film industry, given the push towards digital transformation that has enabled the development of streaming platforms. The economic and social effects of the Covid-19 impacted on traditional channels of audiovisual content consumption and paved the way for further expansion of digital distribution. Challenges for film and audiovisual companies have called for new contents, opening up opportunities for new ventures. In this context, the film and audiovisual industry plays a strategic role, with a substantial impact in terms of both production and employment: an industry with a turnover of 13 billion euros (10% of the European total) in 2022 and 8,800 active companies employing about

65,000 workers, plus 114,000 employed in related supply chains. The value multiplier of film and audiovisual is, after the construction sector, the highest of all economic activities, due to its intense supply chain relationships and low import propensity.

4. Findings

The analysis focuses on the key stages characterizing a cultural startup foundation and early-stage. The key steps have been identified in:

- Business idea and business plan configuration (2022 – early 2023);
- Startup foundation and launch (2023);
- Startup early stage (2024).

In particular, the launch and the development of the startup were strongly influenced by the ideation of a local cultural event (launch) and its second edition (early stage), which required the activation of relationships with heterogeneous stakeholders.

4.1 Business idea and business plan configuration (2022-early2023)

The founder of cine startup is an actress, director and producer. She moved from Milan to London, New York, Los Angeles, Rome, for her career between theatre, television, and film. After her acting career, she produced her first documentary film on climate change in 2007, supported by the Italian Ministry of Culture. This experience determined her interest in film direction and production. In particular, she developed a business idea, founded on US experience, related to corporate bartering. This business practice, which is widespread in the U.S. but less common in Italy, involves a transaction of exchanging goods, services for services, or services. The founder aimed to set up a platform to facilitate connections between professionals in audiovisual industry and supporters, encouraging the sharing of ideas, opinions and advice, mainly relating to Como Lake territory (Lombardy Region).

In 2022, the founder decided to participate in the call for proposal promoted by local chamber of commerce considering the potential incubation at CN. This latter is an innovation hub, founded by local chamber of commerce, with the aim to support the development of the territory. Today, the Innovation Hub hosts 141 companies operating in various sectors, a quarter of which are startups supported by its Incubator. At the beginning of 2023, the founder's business idea was selected to be incubated at CN, covering the fee with a voucher provided by the chamber of commerce. The founder accessed to incubation services provided by CN, such as tutorship to analyze the business idea and to transform it in a competitive business plan and support to networking (Appendix 1).

Through networking facilitated by the incubator, the founder supported the cinema in Como, through an event organized by local congress organization, with the aim to propose visual and storytelling suggestions related to local places and stories.

4.2 Startup foundation and launch (2023)

During the launch stage, the founder ideated an innovative local event, based on her expertise, passion for territory, and the previous professional experience. The local cultural event aimed to support debate on changes in film industry, as well as to facilitate the interaction between local organizations belonging to Lake Como that could host and support film production. "The event was conceived as a first edition to be carried forward," the founder explains, "to take stock of technological developments each year and present Lake Como to directors, screenwriters, set designers, and cinematographers". "This event is important for presenting Lake Como to producers as an open and very special territory" (Founder - cine startup). The aim of the event was to share knowledge about innovation in film industry and promote the location for film production.

The idea for the event came about following the founder's participation in previous film events. The conference organization was involved by the founder of cine startup as key partners. The founder also involved other strategic partners, such as historic residences belonging to the territory, GVilla (GV) and EVilla (EV). Particularly, GVilla (GV) hosts a cultural hub that is promoted by Como chamber of commerce (CCC) and that involves CN Innovation Hub (CIH) and its incubator. EV has collaborated with the conference organization on previous events (CO). In addition, the cine startup has cooperated with LFairs, considering its expertise in tradeshows and cultural events.

The cine startup activated also relationships with institutional actors, such as LFC and CNA. The purpose of LFC is to increase the visibility of the region by promoting its image, encouraging the employment of local professionals, and promoting the development of audiovisual companies and film tourism. Furthermore, CNA, as a local business association, promotes projects developed by local SMEs. Furthermore, the Municipality of Como collaborated with LFC and cine startup to promote local audiovisual production, together with the chamber of commerce.

In the event management process, the cine startup enhanced its relationship with the incubator and its tenants (CM and SLab). CM deals with the development and the implementation of strategic corporate communication projects. In addition, SLab, as system integrator, supported clients in the implementation, deployment and governance of IT solutions. In addition, the startup has engaged a bank for its competencies related to innovative projects.

Based on interconnected relationships, the first edition of the event involved film professionals linked to Como and the national context. Audiovisual and film professionals meet with local entrepreneurs, banks and trade associations to discuss mutual business opportunities. The event promoted networking among operators belonging to film and audiovisual sector, facilitating the sharing of expertise and improving the funding and business opportunities.

This event also supported the launch of the startup and the changes in its business goals. The cine startup revised the offering system founded on the development of short films, documentaries, TV series and films. The company has provided corporate and commercial videos, branded entertainment projects, international formats and original content for companies and online platforms. In addition, the cine startup has introduced the organization of national and international corporate events. The startup has supported film events and festivals, also providing public relations services specifically related to cinema (Appendix 1).

4.3 Startup early stage (2024-now)

In 2024, the cine startup conceived and developed the second edition of local cinema event. The startup involved the previous organizations as well as new ones. The previous oraganizations were linked to GVilla (GV), LFC, CAN, CIH and banks.

In particular, in oder to strengthen the relationships with local organizations, such as associations and schools, and improve their involvement, the startup has engaged SA. SA is an association focused on the potentialities of new technologies in audiovisual production. In addition, the launch involved a local cinema (ACine), a single screen cinema that reopened in 2022 after years of closure and significant public mobilization. The startup cooperated with companies specializied in the audiovisual sector. EDI, partner of big grands, activated a practical laboratory for the event to support students to actively discover behind the scenes. Thanks to the intermediation of the CN incubator, the startup involved into the event other companies such as EV, a creative agency and video production house based in Como. In addition, the event has been supported by business partners belonging to tourims industry (LH, WCO), and other technical partners (FM Audio and Video Service).

On the one hand, the industry activities supported the interaction between the producers and the distributors of national and international film productions, while also promoting the local area. The business activities of the event were divided into four panels focusing on crucial issues in CCI sector, such as copyright and commercial rights, film tourism, national and international distribution, and artificial intelligence in production and post-production. The panel on film tourism investigated the willingness of the territory (businesses, institutions, infrastructure) towards film productions that decide to shoot in and around Como Lake. Tourism was considered not only from the point of view of the visitor, but also from the point of view of staff working on the film set.

With this in mind, the cine startup and event partners considered a new aim for their cooperation: the development of film workers linked to the local area (Appendix 1). In addition, the cine startup enhanced its specialization on event projects development, general organization, management and budgeting, pre-production, on-location shooting and post-production.

5. Discussion

This study aims to investigate how the entrepreneurial network can sustain the exploitation of cultural entrepreneurial opportunities (CEOs).

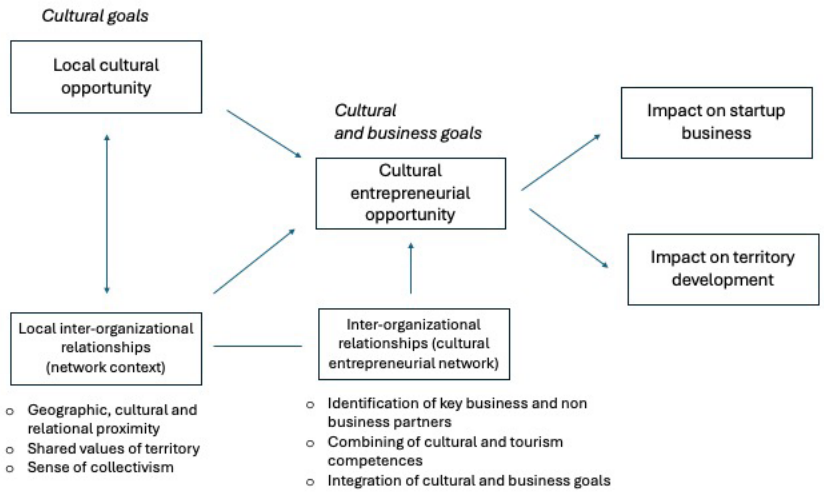
Based on the combining between the theoretical framework and the empirical evidence, the main findings of empirical framework relate to:

- The exploitation of CEOs through a virtous circle, with a positive impact on the startup business and territory development.
- The configuration of cultural entrepreneurial network characterized by a network context founded on local relationships.

According to findings, the entrepreneurial network contributes to the exploitation of CEOs by sharing heterogeneous resources characterized mainly by competencies in film industry and local cultural products. The cultural entrepreneurial network involves organizations belonging to the film industry and non business actors, such as local associations. In addition, the cultural startup has facilitated the interconnections between these actors and those belonging to the tourism industry. Furthermore, the cultural entrepreneurial network also involves innovation hubs and incubators, as facilitators of innovation, networking and the integration between cultural and business goals.

Going deeper, inter-organizational relationships support the exploitation of CEOs, generated by local opportunities, nurturing a virtuous circle that impacts in a positive way on the business of the startup, as well as on the local economy. Local cultural relationships are characterized by geographic and cultural proximity as well as by relational proximity. Depending on their relevance, local cultural relationships shape the network context. By supporting the sharing of tacit knowledge, the values of territory and its meanings, local cultural relationships generate a sense of collectivism within local organizations (Figure 1).

Figure 1. *Empirical framework*



5.1 The exploitation of CEOs: a virtuous circle

Opportunities have been considered as "a set of external conditions as well as individual cognitions or social constructions. They are thus variously described as a confluence of (pre-existing or created) external circumstances, imagined future ventures, future action paths, or imagined future state" (Davidsson, 2015, p.677).

According to the results obtained, the three stages of a startup's life cycle (conceptualization of business idea and business plan, foundation and launch, the early phase) have been characterized by the emerging of local cultural opportunity and cultural entrepreneurial opportunity (Appendix 1). Local opportunity has been generated by the territory and local resources. Furthermore, CEOs are founded on the integration between cultural and economic/business goals. In particular, inter-organizational relationships promote the exploitation of CEOs, encouraging resource sharing and competence combining.

In the first stage, the local cultural opportunity relates to the promotion of local economy. The cultural entrepreneur identified this opportunity and exploited it by participating in the call for proposals and setting up a business model based on a barter platform. Based on the interaction with the Incubator, the startup improved its analysis of the context. In this sense, the local cultural opportunity generated a cultural entrepreneurial opportunity. In the second and third stages, the local cultural opportunity was identified in the promotion of the Como territory. The CEO relates to the ideation of a local event that involved firms, institutions, associations and banks to promote Como Lake as a strategic location for film production. In the third stage, the exploitation of the opportunity is based on the second edition of the event, which involved heterogeneous organizations belonging to film and tourism industry.

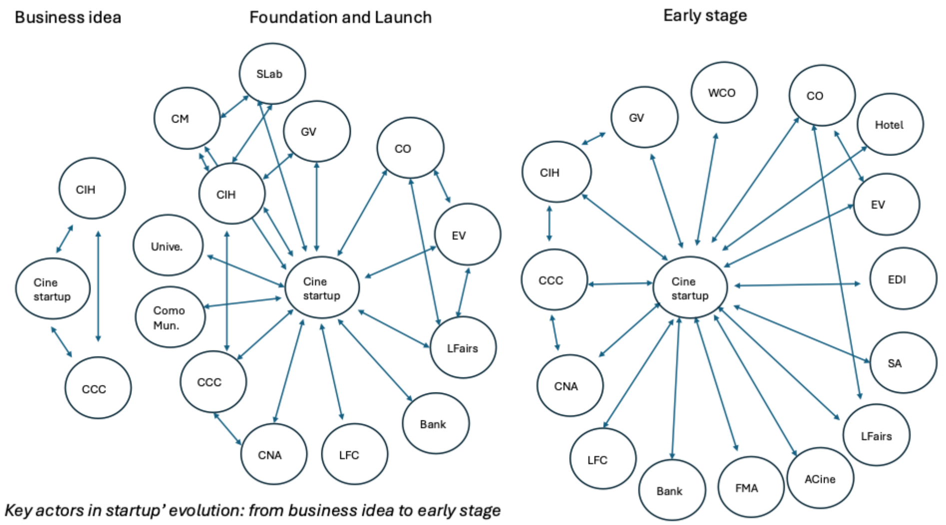
According to findings, the CEOs generated business opportunity for both the startup and the territory. In the first stage, through interconnected relationships, the startup developed its business model, generating opportunities for the territory. In the second stage, the startup improved its specialization in local cultural events, while in the third stage, startup introduced new services in its offering system. By focusing on the local area, the business idea promoted the local area in the first stage. In the second stage, the event generated interconnectedness among actors in the local film industry. In the third stage, the local event supported the launch of a new film tourism industry for the territory.

Entrepreneurial opportunities are founded on key relationships mainly with local actors, based on the sharing of the same aim: promoting the local context and local industries. Sharing this aim, based on the same vision of the territory and cultural products, fostered the interaction between business and non business organizations. Strong relationships based on the values of territory strengthened inter-organizational relationships in a collective form.

According to Biederman (1998), creative collaboration describes an interactive process that leads to innovation. Creative processes and entrepreneurial skills can be combined to identify collective entrepreneurial opportunities. Active collaboration among members of a collective has been considered the driver of innovation (Yan & Yan, 2016). Collective entrepreneurship emerges from a collective that seizes an opportunity by overcomimg resources control (Yan & Sorenson, 2003).

Based on inter-organizational relationships, entrepreneurial opportunities are founded on interconnected business relationships that outline business networks. In particular, these relationships involve identifying key business partners with whom to share and achieve a common goal (Möller & Halinen, 2017). As findings show, the development of new entrepreneurial initiatives has been supported by heterogeneous actors that characterize business network (Corsaro et al., 2012). The cultural entrepreneurial network involves heterogeneous organizations that support the evolution of startups. Some organizations belong to cultural and tourism sector, while others (incubators, innovation hubs) are considered facilitators of innovation (Figure 2).

Figure 2 – Cultural entrepreneurial network



5.2 The configuration of Cultural Entrepreneurial Network: a local network contex

The entrepreneur's professional background has always been considered crucial in supporting the development of a new venture (Camisón-Haba et al., 2019). In this sense, the entrepreneur is responsible for exploring and exploiting opportunities. Entrepreneurs with great tenacity and passion support the development of the company and the territory on the basis of geographical proximity. However, as results show, new skills, capabilities, and resources have been required of the cultural entrepreneur, who is seen as an artist active in maintaining an extensive network (Klamer, 2011), mainly at an individual level.

Previous research considered local entrepreneurial opportunities to be closely related to the entrepreneurial ecosystem and its ability to promote entrepreneurship and innovation by supporting local socio-economic development (Almeida & Daniel, 2023; Dejardin & Levratto, 2022). The entrepreneurial ecosystem has been defined as a "set of interdependent actors and factors coordinated in such a way that they enable productive entrepreneurship within a particular territory" (Spigel & Stam, 2018, p.407). The territory is a key resource identified by cultural entrepreneur considering its values and peculiarities. According to Bonfanti and colleagues (2015), the territory is characterized by an identity and specific economic, social and environmental development, in which intangible resources, such as knowledge, creativity, culture, design and art increase. Furthermore, geographical proximity facilitates the sharing of tacit knowledge (Polanyi,

1966) that requires face-to-face contact and interaction. The territory is also characterized by cultural proximity, considering the shared values relating to the arts, practices, language, and internal institutional context (Schmitt & Van Biesebroeck, 2010).

Moving from an ecosystem approach to a network approach, as illustrated by the results, the territory is considered in two perspectives. In the first perspective, the territory is linked to the cultural resources that characterize the local area and its uniqueness, which generate opportunities for startups and local organizations. The second perspective concerns local relationships that support the exploitation of local resources. In particular, geographical proximity has supported the cultural startup in cooperating with heterogeneous actors characterized by cultural, technological, and innovative competencies.

Based on the network approach, the relational perspective involves different spaces delineated by the network context and the network horizon. The network context includes all firms and relationships that the focal firm considers relevant (Holmen & Pedersen, 2003). The network horizon, on the other hand, is defined in terms of the network boundaries that characterize the focal firm (Holmen & Pedersen, 2003). According to findings, the network context is identified in local cultural relationships due to their relevance based on geographical, cultural, and relational proximity. In this sense, local interorganizational cultural relationships are based on shared values and commitments that support the sense of collectivism that characterizes a community of organizations.

From the perspective of business network, relational proximity is based on commitment, engagement and trust (DNA of the relationship), and the strength of relationship (shared vision and shared destiny) (Cantù, 2010). The integration of geographical and relational proximity has fostered the configuration of meaningful relationships characterized by shared values of the territory and its identity. In this sense, the network context generates collective opportunities.

The collective opportunity process is characterized by the evolution of interconnected relationships and by the construction of meaning in relationship networks (Kauppinen& Puhakka, 2010). In this sense, relational proximity is oriented toward sharing of the same vision among actors and a commitment to achieving common goals. According to Shepherd (2015), the collective perspective sheds light on the interactive vision of identifying and refining opportunities, as these are rooted in a community.

According to a new research path in IMP thinking (Harrison et al. 2023), the development of a business is based on relationships with non business actors such as institutions and associations. These organizations are relevant in the artistic context. In particular, the startup activated key relationships with local firms belonging to the film industry and film supply chain, banks, institutions, and associations. Each organization has provided key resources for the CEOs to exploit.

Some of these relationships were based on previous projects and activities developed by the startup. According to Ciabuschi et al. (2012), the startup foundation is based on interconnected business relationships. As illustrated by the results, these organizations can activate relationships that are relevant to the startup and to the evolution of the territory. Local cultural opportunities can generate entrepreneurial cultural opportunities that lead to business opportunities for the startup and business opportunities for the territory.

6. Conclusions

6.1 Theoretical implications

Over the years, research in the field of cultural entrepreneurship (CE) has recognized the key role of entrepreneurs in the performance of cultural and creative firms (Näsholm & Eriksson, 2024; Orihuela-Gallardo et al., 2018).

However, CE goes beyond the perspective of heroic elite groups (Näsholm & Eriksson, 2024), considering the call for an in-depth analysis of how actors work collectively to assist entrepreneurs with starting and scaling their ventures (Ben-Hafaiedh et al., 2024).

Differently from previous research, this study highligthed that moving from the micro-individual level to the meso-network level can improve the exploitation of cultural entrepreneurial opportunities.

Moving from interpersonal to interorganizational relationships, the findings show how interconnected relationships have supported resource sharing and competence combining, as well as joint activities that support a cultural startup in leveraging CEOs.

Interconnected relationships outline the entrepreneurial network involving key business actors belonging to the film-tourism supply chain, non business organizations (local associations and institutions), and innovation facilitators (incubators and innovation hubs).

By combining cultural and business perspectives, CEOs generate a positive impact on the business of startups, as well as on the business of the territory. In this sense, local relationships within the network context are characterized by geographical, cultural and relational proximity, which facilitate the alignment between the actors/organizations' identity and the territory identity. This alignment promotes the sharing of the values and meanings of the territory, thus generating collective opportunities in network. The geographical and cultural proximity that characterize the local dimension of artistic and cultural products, integrated with relational proximity, can support the development of cultural startups and the development of the territory. In this sense, interconnected relationships have generated a virtuous circle considering their positive impact on startups and the territory as a whole.

The study contributes to the literature of cultural entrepreneurial opportunity and relational proximity. From a traditional perspective, collective efforts based on collaboration and the mobilization of individual resources facilitate the development of innovation, supporting a process of differentiation and legitimacy (Makhdoom et al., 2019), and the development of innovative adaptations to major environmental challenges (Doh et al., 2019). According to findings, moving from an individual to an organizational perspective, the local network is based on interconnected business and non business relationships characterized by shared goals and actors'commitment. The intensity of relationships at the local level has improved the configuration of the territory as an actor, composed by different organizations that adopt a collectivist approach. In this sense, this paper would contribute to the empirical analysis of entrepreneurship process in CCIs, deepening the collective dimensions (Pagano et al., 2021; Shepherd, 2015).

In addition, this study would contribute to the IMP literature by considering the key role of non business actors, the combining of business and non business relationships, as well as the nature of actors (Harrison et al., 2023).

Furthermore, cultural startup combines the cultural and creative properties of entrepreneur with a focus on the market (Höllen et al., 2020). In this way, the paper contributes to the call for evidence to understand the connection between creativity, culture and entrepreneurship (Noonan, 2021).

6.2 Managerial implications, limits and future research

This study would share some insights for new ventures belonging to CCIs industry, considering the exploitation of CEOs.

Launching a new entrepreneurial initiative requires an in-depth analysis of the macro-trends that characterize the business landscape, as well as an investigation of potential key business and non business partners. Moreover, partners require to be selected from a strategic perspective, considering the main aim of the lead organization and its network. These considerations determine the relevance of network management practices, recognizing the strategic role of aligning goals among actors.

In addition, new training paths are required to support cultural entrepreneurs in improving their networking skills, project management capabilities, and the sharing of knowledge concerning innovation intermediaries, such as incubators and innovation hubs.

The paper presents limitations related to the single case study, although this methodology allows for an in-depth analysis of a phenomenon, it does not allow the generalization of results. Due to this limitation, future studies could consider other cases in the domain of collective entrepreneurship in CCIs.

Furthermore, this study focused on a local geographical area, future research could explore different local contexts and compare empirical evidence. Future projects could also give continuity to this study by comparing startups and SMEs.

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Appendix 1

Key Actors	Key Resources	Key activities
	Business idea and business plan	
Cine startup	Business idea Professional skills Personal relationships in cinema	Business plan ideation
CN Innovation hub and incubator (CIH)	Tutorship services	Support in business plan configuration
Como Chamber of commerce (CCC)	Call for proposal Voucher	Financial support in business idea development and local economy

Startup foundation and launch – 2023		
Cine startup	Expertise in cinema projects Personal and business relationships	Company foundation
CIH	Training courses Networking Competences matching	Support in startup launch and in event development
CCC	Sponsorship	Support for innovative event
University	Idea for market orientation and startup launch	Sharing of idea about business plan
Congress organization (CO)	Promotion	Promotion of territory
GVilla (GV)	Historic mansion Cultural hub	Support in promotion
EVilla (EV)	Historic mansion Calendar of events	Support in promotion
L.Fairs	Tradeshow competences Exhibition center	Support in exhibition event
LFC	Promotion of films and audiovisual production on the territory	Support in promotion
CNA	Cultural services	Consultancy
Bank	Financial competences for innovative projects	Financial support
Municipality of Como	Patronage for the event	Institutional support
CM	Content for communication campaign	Consultancy
SLab	Cloud computing and IOT consultancy	Consultancy
Startup Early stage – 2024 -now		
Cine startup	Projects Consultancy Previous business relationships	Ideation and management of cine-cultural event
S. Association (SA)	Relationships with schools, local organizations Skills for organizing film observatory	Engagement activities
A. Cinema (ACine)	Structure Contacts	Support for structure

EDI	VFX (visual effects) competences	Consultancy
LFC	Promotion of films and audiovisual production on the territory	Support in promotion
CIH	Business relationships	Networking facilitation
CCC	Promotion	Support for innovative event
CNA	Cultural services and consultancy to members	Support in promotion
Bank	Financial competences for innovative projects	Financial support
Hotels	Specialized services Promotion	Support in promotion
WCO	Specialized services Promotion	Support in promotion
FMA	Innovative technologies	Support in technical activities
GVilla (GV)	Historic mansion Cultural hub	Support in promotion
EVilla (EV)	Historic mansion Calendar of events	Support in promotion

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URBAN COMMONS AND CULTURAL ACTIVITIES: GOVERNANCE AND CO-PRODUCTION PROCESSES IN LOCAL COMMUNITIES

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Abstract

Purpose. *The purpose of this paper is to reflect on cultural activity in cities, and on the contribution that urban commons can make to changing the urban cultural landscape.*
Design/methodology/approach. *The analysis is set within the theoretical framework of the commons, and more precisely the urban commons: therefore, we will first carry out a review of the literature covering the key aspects of the framework. Then, we will introduce a descriptive case study aimed at providing an example of the contribution that urban commons can make to the definition of cultural activities in cities.*
Findings. *We will find that communities managing urban commons, their values and objectives have great importance in defining the direction of cultural activities that can be carried out in such spaces; with this in mind, urban commons can make a valuable contribution to the cultural landscape of cities and neighborhood, and be part of a grassroots movement that shapes culture on the basis of social and collective needs.*
Practical and Social implications. *Urban commons are often highly valued by local communities, as they become social and cultural hubs in their neighborhoods. At the same time, they often face opposition from local administration, mainly based on legal issues pertaining to the ownership of the spaces. Adopting a co-production approach to public value may allow such initiatives to flourish, with support from the public sector.*
Originality of the study. *This paper links the fields of urban studies, with a specific focus on commons, with that of cultural activities, and takes into account a new, shared way of "making" culture in the city.*

1. Introduction

In recent years, the increased interest in the realm of commons has been linked to the growing dissatisfaction with neoliberal policies leading to environmental decline, widening social gaps between the rich and the poor and excessive individualism (Seppilli, 2012).

It is also interesting to analyze the relationship between commons and the Aristotelian concept of common good, which benefits society as a whole and emerges from the active participation of citizens and their collective action in the public realm. The idea that a common good exists goes against the representation of society constituted by atomized individuals living in isolation: in fact, its existence implies that social relationships are a key aspect of citizens' lives. Thus, the defense and collective management of commons can be considered as strategic resources that activate the common good and foster participation to its achievement. Moreover, the common good is recognized as "the source of legitimacy of decisions" (Rochet, 2010), opening interesting paths in the realm of public management regarding the philosophical and political ground to be adopted when discussing the government's role and objectives.

In fact, commons can be a productive field for the application of co-production, with the idea of involving citizens in public service delivery (Verschuere et al., 2012) in order to improve the use of assets and resources by the public sector and citizens, with the aim of achieving better outcomes or greater efficiency, as well as building an interactive network where citizens are engaged in self-organizing communities and cooperate with governments to develop democracy (Campanale et al., 2021). Co-production can also be seen as a tool for improving multi-sectoral governance (Sicilia et al., 2019), which is a key element of commons. In fact, the importance of co-operation between the public sector and civil society in promoting collective interests and well-being can be linked to the approach of polycentric governance systems designed by Ostrom for the management of commons (Dallera, 2012), with each actor bringing their own features and experience in the system.

Moreover, while co-production, co-implementation and co-evaluation of public policies are established concepts in the public management literature, the integration of a collaborative perspective between different sectors in the management of commons has emerged only very recently (Mangialardo and Micelli, 2021; Sardi and Sorano, 2019; Tosun et al., 2017; Soma and Vatn, 2014). What emerges is a form of "commons-led co-production" (Bianchi et al., 2024), where commons gain political advantage from co-production processes: this perspective aims at mediating between the two opposite approaches according to which commons can either be enhanced or co-opted following co-production.

Finally, the adoption of this perspective also resonates with the juridical interpretation by Arena (Cortese, 2017), according to whom commons are functional in activating a different administrative model from the traditional one; they compel citizens to take care of a general interest arising from "an alliance of all the parties that are involved at different times and are motivated to protect and promote it". Arena's elaboration starts from the idea that a collaborative administration of commons enhances each person's development and then links this consideration with the principle of subsidiarity, which was introduced in the Italian Constitution in 2001 and states that public administrations have to promote citizens' initiatives that aim at achieving general interest goals. Thus, the shared management of commons becomes a tool to ensure that subsidiarity is implemented.

Experiences with commons, and especially with urban commons, indicate that culture is a central aspect in their existence, and cultural initiatives that are carried out are often designed according to the needs and preferences of the local community. These activities range from artistic performances and exhibitions to educational workshops and community festivals, all tailored to reflect and enhance the local cultural identity. This responsive approach ensures that the initiatives not only serve a social purpose but also actively involve community members in their planning and execution, fostering a deeper connection and sense of ownership among participants. This integration of cultural activities with community governance and public administration highlights how urban commons can enrich the cultural life of cities. By facilitating spaces where culture can flourish, urban commons help to maintain the social fabric, encourage civic engagement, and promote a shared sense of community identity, all of which are essential for the evolution of urban areas.

The purpose of this paper is to carry out a preliminary investigation on the contribution that urban commons can make to cultural life in cities, and on the extent to which this contribution is acknowledged and enhanced by the public administration. Experiences with urban commons are peculiar because they combine grassroots initiatives, urban planning and regeneration objectives and inclusive, collaborative strategies aimed at repurposing dismissed areas. These experiences often lead to innovative management and governance models, which in some cases represent an advancement with respect to the notions found in the literature (for example, Ostrom and Hess, 2007). The fluidity of the community of members that can benefit from urban commons, for example, is an innovative element that emerges from such initiatives and that influences governance processes. Instead of being "closed" communities, urban commons are usually open to the larger social fabric surrounding them, also in terms of who can access decision-making processes. The support of local communities and the emergence of community-based networks are indeed central aspects in the life and existence of urban commons, allowing them to thrive (and, in many cases, to resist opposition coming from public administrators). Very often, urban commons include cultural initiatives in their range of activities, as culture itself is often referred to as a common. Another reason is that urban commons aim at becoming cultural hubs within their local communities, in order to provide a cultural offering that is grassroots-driven and more aligned to social needs and aspirations. Thus, urban commons represent an innovative field that can contribute to reshaping cultural processes and initiatives, as well as the way such initiatives are embedded in the existing social fabric and managed by a fluid, inclusive community of activists.

To achieve our research purpose, we adopt a methodological approach that involves purposeful sampling, specifically selecting a case that exemplifies the dynamics and impact of urban commons within the Italian context. This case study is one of the most relevant urban commons experiences in Italy, namely Lucha y Siesta Women's House in Rome. Lucha y Siesta was chosen due to its historical significance, innovative approaches, and substantial influence on local cultural practices. Through this detailed case analysis, we aim to demonstrate that culture and cultural activities have always been a central focus for Lucha y Siesta. The center's grassroots approach to shaping the cultural landscape of its neighbourhood and beyond serves as a powerful example of how urban commons can contribute to the cultural offerings of a city. By organizing a variety of cultural events and activities, ranging from artistic performances and exhibitions to educational workshops, debates and community festivals, Lucha y Siesta not only addresses the immediate cultural needs of the local community but also actively involves community members in the planning and execution of these initiatives. This participatory model fosters a deeper connection and sense of ownership among community members. Furthermore, this paper will explore the interaction between Lucha y Siesta and public administration, examining how public policies and administrative actions can either support or hinder the development and sustainability of urban commons. Our investigation will highlight the extent to which public administrations recognize and enhance the contributions of urban commons and will provide insights into how collaborative frameworks can be developed to support these initiatives effectively.

2. Literature review

2.1 The commons

The concept of "the commons" is rather complex to understand and define, as it is composed of many contributions ranging from the academia to social and political movements; often, the idea is employed for its positive emotional value (Wagner, 2012). The first aspect to consider is the multiplicity of disciplines shaping the field of the commons, which can be studied by economists, historians, philosophers, sociologists and jurists. Commons have been studied for what concerns how groups organize to manage collectively owned resources, and modes of productions and the effects of capitalism. According to the second approach, commons are collective political experiences and tools of resistance against lifestyles dictated by the market and the State (Huron, 2017; Linebaugh, 2008).

Depending on the approach, definitions of the commons vary, and certain authors even decide not to define them at all. As a consequence, there is no shared definition of what commons are, and terminological inconsistency is one of the main issues in the field. The concept is employed with different meanings depending on who uses it (Wagner, 2012), often vaguely and regarding very different subjects (Ciervo, 2012; Vitale, 2013). This is also caused by the formation of a social imaginary around the commons, with the consequence that many individuals and organizations tend to speak of the commons in order to leverage on the positive emotional response that the idea generates (Wagner, 2012). At the same time, the growth of scientific literature has contributed to the expansion of the field toward less conventional subjects (Ruiz-Ballesteros and Gual, 2012): the concept of the commons is, in fact, continuously expanding.

In economic terms, goods are defined based on rivalry and excludability. The four main categories of goods (Samuelson, 1954; Buchanan, 1965; Ostrom and Ostrom, 1977) are private goods (rival and excludable), public goods (non-rival and non-excludable), club goods (non-rival and excludable) and common-pool resources (rival and non-excludable).

Common-pool resources (CPRs) were introduced by Ostrom and Ostrom in 1977, and mainly indicate natural resources such as lakes, forests and fields. CPRs are commons shared at local level, and access is regulated by norms and rules (Distaso and Ciervo, 2011). According to Ostrom (1990), CPRs are managed by the community that "owns" them (quotes are necessary since often there is no formal property right over natural resources): the issue of management is crucial and requires that effective systems and rules are in place to avoid excessive appropriation of the resource by individuals, which would damage the community (Patnaik et al., 2017; Dietz et al., 2003). Several authors studied institutional solutions for managing CPRs, alternative to the public and private sectors (Agarwal, 2001; Gibson et al., 2000; Berkes, 2006): usually, these frameworks require collective action by the community that owns the resource. In Ostrom et al. (1994), we find the Institutional Analysis and Development framework, a multilevel tool that analyses stakeholders and institutions in order to link theoretical and practical aspects of governance systems. Later, Hess and Ostrom

(2007) indicated key principles for self-managing shared resources, such as the importance of having rules and limitations in place, which should be based on the needs of the local community, the engagement of said community in defining rules and ensuring they are respected, and monitoring and sanctions in case of misbehavior.

Until the mid '90s, economic research on the commons mostly focused on natural resources; then, the concept of "new commons" was introduced (Hess and Ostrom, 2007; Levine, 2001) and defined as "various types of shared resources that have recently been recognized as commons" (Hess, 2008). Their emergence implies a significant expansion of the field and is linked to concerns regarding increasing privatizations and commodification, as well as globaliza-tion. In fact, the definition of new commons appears to take into account a larger number of interests and issues than just rivalry and excludability in consumption, going beyond merely economic definitions. On the other hand, this term has been used to refer to virtually any form of collective interest (Wagner, 2012). This theoretical development has had an impact on management systems: today, multilevel governance defined as "institutional arrangements that facilitate the coproduction, mediation, translation and negotiation of information and knowledge within and across levels" has become a key concept in managing the commons (Ruiz-Ballesteros and Gual, 2012; Brondizio et al., 2009). Grassroots participation to governance processes concerning a specific good is what makes it a "commons" rather than a public good (Seppilli, 2012).

2.2 Urban commons: why are they different?

At first glance, we could say that urban commons indicate resources that are located in cities, as Dellenbaugh et al. (2015) find in their review of the literature. Urban commons, however, do not exist as such, they are created (Blomley, 2008): urban spaces become commons when citizens re-appropriate them by occupying, managing and sharing them with others on the basis of a feeling of collective responsibility (Morrow and Martin, 2019). Thus, urban commons can also be described by the process that brings to their creation.

Over the last years, cities have seen numerous processes of appropriation or re-appropriation of places and spaces, following the progressive expropriation of citizens' creative and planning capability (Cellamare, 2019).

Urban commons are studied in relation to the effects of capitalism on collective life: in this sense, the word "urban" refers to social aspects congealed in cities (Marcuse, 2009). "Urban" does not only indicate the city as opposed to rural areas (although most studies consider the spatial dimension of urban commons, focusing on the place more than on the process): we should distinguish the city as a place and the urban, i.e. processes linking places and spaces and defined by the possibility of creating connections (Huron, 2017). The urban space is an area for mediation between daily life and the demands by the capitalist system (Huron, 2017), and urban commons represent resistance practices to neoliberal processes (Grazioli and Caciagli, 2018), in line with Castells' perspective that the urban space is an arena for struggle for public goods (e.g. housing, public infrastructure, transportation, education, healthcare, culture) and their consumption by the community. Based on this perspective, the urban commons are spaces where profit-oriented neoliberal logics are questioned through collective re-appropriation processes (Huron, 2015) in order to experiment with alternative forms of organization and production. The practice of re-appropriation leads to the regeneration of abandoned urban spaces through cooperative experiments (Grazioli and Caciagli, 2018).

Ferguson (2014) defines the urban commons as shared resources to which individuals and groups have a claim, and as spaces for political struggle against neoliberal exploitation. Bradley (2015) identifies urban commons based on the use that citizens make of the resource; according to the author, they imply voluntary contributions (not associated with financial returns) and can also be used by those who do not contribute. Mainly, urban commons are linked to social objectives, not to profit-making. They are peculiar for what concerns rivalry and excludability because, in urban areas, consumption of a resource does not decrease its value, it increases it (Huron, 2017). According to Howard (1965), land does not have intrinsic value in cities: much of it depends on the density of activities that happen there and on the amount of people that use it. The more urban commons are "consumed", the higher their value.

Urban commons can be used by those who manage them, and also by the broader community of potential users who may benefit from them at a later stage (Huron, 2017); it is interesting to note that property rights are usually not associated with using the resource on a daily basis. The community of users is not always well-defined (in contrast with CPRs) and often includes citizens and activists (Huron, 2017); its boundaries are not fixed.

Finally, cross-sector collaboration emerges as a central aspect in managing urban commons (Parker and Johansson, 2012): decisions should be made by agreement of all parties involved, and the public administration should act as a facilitator of cooperative practices.

3. Methodology

In addressing the research question regarding the impact of urban commons on cultural life in cities, this study employs the method of purposeful sampling to select a particularly illustrative example from the Italian context of urban commons. Purposeful sampling is chosen for its efficacy in providing in-depth insights into complex issues by selecting cases that are information-rich and exemplify broader trends or underlying phenomena (Patton, 1990). Lucha y Siesta was selected based on its historical significance, the uniqueness of its operational model, and its profound impact on local cultural practices, making it an ideal subject for examining the intersection of urban commons and culture.

To gather data for this study, a multi-modal approach was adopted, integrating various types of data sources to ensure a comprehensive understanding of the subject. First, secondary data were collected extensively from available online documents, including articles, reports, and publications related to urban commons and Lucha y Siesta specifically. These documents provided a historical overview of the initiative, insights into its operational strategies, and reflections on its cultural impact over the years.

In addition to document analysis, semi-structured interviews were conducted during collective discussions between activists, researchers and students. These discussions offered invaluable firsthand accounts of the experiences, challenges, and successes of the initiative, providing depth to the data collected and helping to understand the personal and community-level impacts of the urban commons in question. The richness of these conversations helped to fill gaps not covered by published materials.

Furthermore, visits to Lucha y Siesta by the authors over several years have played a critical role in the data collection process. These visits allowed for direct observation of the space in use, the activities conducted, and the interactions among community members. Moreover, these moments created the opportunity to have informal conversations with activists and other stakeholders. Observational data were particularly useful for understanding the physical layout of the commons, the actual use of the space, and the non-verbal dynamics of community engagement that are often lost in written reports. Such visits also provided opportunities for impromptu, informal discussions with participants and observers, which enriched the authors' understanding of the case. Semi-structured interviews, along with informal meetings, allowed researchers to verify and triangulate information retrieved from the documental analysis: the information obtained through these methods was used to integrate and confirm data and findings from the first stage of investigation. This process indicated a high-level of reliability of the information retrieved from different sources (secondary data and first-hand data), and it influenced the structure of Section 4, which presents findings as a consistent narrative in order to enhance this aspect.

While the use of informal methods was extremely useful in providing additional insight to the study, this also represents a limitation: although the authors did not engage in participant observation, their status of researchers and external observers was known to members of Lucha y Siesta and may have influenced their behavior and their self-presentation. Moreover, informal interactions can be more accessible when personal relationships are present, making it more complicated for other researchers to obtain the same findings as the present study does.

4. Findings

Lucha y Siesta, established in 2008, represents a significant case study on the role urban commons can play in facilitating social change, specifically targeting gender-based violence and fostering cultural activities. This initiative originated in an abandoned building in a working-class neighborhood of Rome. Founding activists were motivated by the intersecting concepts of 'lucha' (struggle) and 'siesta' (rest), which effectively encapsulated their vision to craft a space where women could simultaneously find relief from gender-based violence and actively combat such injustices. By reclaiming this space, the activists aimed to counteract the systemic issues of gender-based violence, social exclusion, and cultural disenfranchisement. The physical reclamation of the building was a powerful act of defiance against the status quo, signaling a broader struggle against the societal norms that perpetuate violence and inequality. The founders of Lucha y Siesta were deeply inspired by the dual notions embedded in the name they chose. 'Lucha,' representing struggle, reflects the ongoing battle against gender-based violence and the systemic inequalities that underpin it. It signifies a relentless fight for justice, equality, and the rights of women and marginalized groups. On the other hand, 'siesta', representing rest, underscores the importance of providing a safe environment where women can heal, recuperate, and find solace from the traumas inflicted by societal violence.

Since its early days, Lucha y Siesta has been governed in an informal, democratic way, with the members' assembly being its central decision-making body. The assembly is open to activists engaged in the project, and it ensures that all perspectives are equally represented and accounted for, and that decisions are based on consensus. This process was formalized in the "Dichiarazione di Autogoverno" (Self-governance declaration) that was adopted in 2022 and that will be discussed later in this section.

As the project developed, Lucha y Siesta transcended its initial function as merely a shelter; it morphed into a dynamic center of activism and cultural exchange. The activities orchestrated within its walls are diverse, ranging from legal workshops to seminars probing the underpinnings of gender-based violence, and public cultural events such as book readings and film screenings. These are designed not only to educate and inform but also to provoke discussion and debate on broader social and gender issues, thereby influencing the cultural narrative at a societal level. The significance of these cultural events extends beyond simple participation; they serve as critical platforms for community engagement and education, reaching audiences that span the local and broader community. Such initiatives have been pivotal in not only raising awareness but also in forging a communal identity that aligns with the principles of resistance and empowerment that Lucha y Siesta champions.

These cultural activities create an inclusive environment where individuals feel safe to express their thoughts, share personal experiences, and connect with others who share similar values and struggles. Moreover, the legal workshops offered at Lucha y Siesta provide essential knowledge and tools for women to understand their rights and navigate the legal system effectively. These workshops cover a range of topics, including domestic violence laws, immigration rights, and labor rights, equipping participants with the information they need to protect themselves and advocate for their interests. By demystifying the legal process and offering practical guidance, these sessions empower women to take control of their lives and assert their rights in various domains. Seminars that delve into the root causes of gender-based violence are another cornerstone of Lucha y Siesta's programming. These seminars bring together experts, activists, and community members to explore the social, economic, and cultural factors that contribute to violence against women. By examining these issues in depth, the seminars foster a deeper understanding of the systemic nature of gender-based violence and inspire collective action to address these challenges. Participants are encouraged to critically analyze existing social structures and consider how they can contribute to creating a more just and equitable society.

Public cultural events such as book readings and film screenings further enhance Lucha y Siesta's role as a hub for cultural exchange. These events feature works that highlight themes of gender equality, social justice, and human rights, sparking meaningful conversations among attendees. Authors, filmmakers, and other cultural figures often participate in these events, providing firsthand insights into their work and engaging directly with the audience. This direct interaction helps to break down barriers between creators and consumers of culture, fostering a sense of shared purpose and community.

In addition to scheduled events, Lucha y Siesta offers ongoing programs and activities that contribute to the cultural vibrancy of the center. These include art exhibitions, music performances, and theatre productions, all of which provide platforms for creative expression and cultural dialogue. The center also hosts regular community meetings where participants can discuss pressing issues, plan future activities, and build solidarity among members. These meetings are crucial for maintaining the participatory nature of Lucha y Siesta, ensuring that all voices are heard and that the community remains actively engaged in the center's mission.

Moreover, the center has committed substantial efforts towards providing tangible support services to women, which has become a cornerstone of its multifaceted mission. This includes comprehensive counseling services that address a wide range of issues such as trauma recovery, mental health support, and emotional well-being.

The cultivation of support networks is another vital aspect of the services provided at Lucha y Siesta. Recognizing that individual empowerment is often bolstered by strong community ties, the center actively fosters connections among women through various group activities and peer support initiatives. These networks provide emotional support, practical advice, and a sense of solidarity, helping to break the isolation that many women experience.

The empowerment process facilitated by Lucha y Siesta is multifaceted, addressing immediate needs while also providing long-term strategies for personal development and independence. For instance, the center offers vocational training and educational programs that help women acquire new skills and improve their employment prospects. These programs range from language classes and computer literacy to more specialized training tailored to the local job market. By enhancing their skills and qualifications, women are better positioned to achieve financial independence and stability.

Furthermore, Lucha y Siesta's approach to empowerment goes beyond providing direct services; it also involves advocacy and activism aimed at systemic change. The center engages in public awareness campaigns, policy advocacy, and community organizing to address the root causes of gender-based violence and inequality. By amplifying the voices of women and advocating for their rights at various levels of government and society, Lucha y Siesta seeks to create a more equitable environment where women can thrive. These advocacy efforts are complemented by partnerships with other organizations, both locally and internationally, to broaden the impact of their work and to support a wider movement for gender equality. The holistic support provided by Lucha y Siesta also includes addressing the physical needs of its participants. The center offers safe and secure housing for women escaping violent situations, ensuring that they have a stable environment from which to rebuild their lives. This housing support is often accompanied by access to essential services such as healthcare, childcare, and financial assistance.

By addressing these basic needs, Lucha y Siesta ensures that women can focus on their recovery and empowerment without the immediate pressures of survival. The impact of these services is evident in the personal stories of the women who have benefited from them. Many participants report significant improvements in their mental health, legal standing, and overall quality of life. They describe how the support from Lucha y Siesta has enabled them to escape abusive relationships, secure custody of their children, find stable employment, and regain control over their lives. These individual successes collectively contribute to the strength and resilience of the community as a whole, creating a ripple effect of empowerment and positive change.

The narrative of Lucha y Siesta is also deeply intertwined with the legal challenges it faces, particularly the ongoing threat of eviction due to the initially unauthorized occupation of the building. This legal insecurity highlights the complex interplay between urban commons and local governance structures, where such initiatives often find themselves in precarious positions. Despite these adversities, there have been intervals when the value of Lucha y Siesta was formally acknowledged by local authorities, evidenced by interventions such as the regional government's allocation of funds to secure the building. This support, however, proved to be transient with the advent of new political leadership, which reversed previous decisions, thereby underscoring the instability that can characterize the political landscape surrounding urban commons.

The precarious legal situation of Lucha y Siesta reflects broader systemic issues faced by urban commons worldwide. These initiatives often operate in a legal gray area, navigating the complexities of property rights, municipal regulations, and public policy. The unauthorized occupation of the building placed Lucha y Siesta at constant risk of eviction, a threat that loomed over its existence and created a climate of uncertainty. Despite this, the center has continued to thrive, largely due to the resilience and determination of its community and supporters.

Local government interactions with Lucha y Siesta have been marked by a fluctuating recognition of its value, mainly depending on political orientation. At times, authorities have acknowledged the significant social and cultural contributions of the center, leading to temporary measures aimed at securing its future. For instance, the regional government once allocated funds specifically to purchase the building, a move that temporarily alleviated the threat of eviction and signaled official support for the center's mission. However, such support has often been short-lived, subject to the changing tides of political leadership and priorities. The reversal of supportive decisions following shifts in political power illustrates the fragile nature of such endorsements and the broader instability that urban commons must navigate.

The community's response to these legal and political challenges has been robust, demonstrating resilience and solidarity that have significantly contributed to the center's sustainability. This communal support is not just reactive but proactive; activists and volunteers have organized a multitude of campaigns and demonstrations to advocate for the center's continuity, emphasizing its role not just as a refuge but as an indispensable cultural and social institution within the city. The level of engagement from the community and wider networks of supporters is evidence of the impact of Lucha y Siesta on the lives of those it touches and the broader cultural fabric of the area. Activists have employed various strategies to garner support and bring attention to their cause. These include public protests, social media and crowdfunding campaigns, and petitions, all aimed at rallying community members and drawing broader public attention to the plight of the center. These efforts have not only helped to build a strong base of local support but have also attracted national and international attention, highlighting the broader issues at stake and garnering solidarity from similar movements around the world. The proactive stance taken by the community underscores the collective commitment to preserving Lucha y Siesta as a vital community resource.

In addition to grassroots activism, Lucha y Siesta's supporters have sought to engage with policymakers and political leaders to advocate for more stable and supportive legal frameworks for urban commons. This advocacy has included lobbying efforts, participation in public forums, and collaboration with other organizations to push for legislative changes that recognize and protect the unique value of urban commons. By fostering dialogue with authorities, supporters of Lucha y Siesta aim to create a more favorable policy environment that supports the sustainability and growth of similar initiatives.

The resilience of Lucha y Siesta is also reflected in its adaptability and strategic planning. The center has continually evolved its programs and services to meet the changing needs of its community, while also navigating the external challenges posed by legal and political uncertainties. This adaptability has been crucial in maintaining the center's relevance and effectiveness, ensuring that it remains a vital resource for the women it serves and the broader community. Moreover, the support networks and alliances built by Lucha y Siesta have been instrumental in its ability to withstand external pressures. Partnerships with other organizations, both within Italy and internationally, have provided additional resources, expertise, and solidarity, helping to bolster the center's efforts. These alliances have been particularly important in times of crisis, providing a broader base of support and advocacy that extends beyond the local community.

In recent developments, the designation of Lucha y Siesta as a feminist and trans-feminist commons has marked a crucial evolution in its identity, signaling a deepening commitment to inclusivity and self-governance. By explicitly embracing feminist and trans-feminist principles, Lucha y Siesta affirms its dedication to addressing the specific needs and challenges faced by women across different spectra of identity, including gender non-conforming and transgender individuals. This transition was accompanied by the implementation of a "Self-governance declaration" (Dichiarazione di Autogoverno), which laid the groundwork for a more structured and participatory form of management. The declaration outlines the roles and responsibilities of community members, decision-making processes, and the core values guiding the center's operations. This framework ensures that all voices within the community are heard and that decisions are made collectively, reflecting the inclusive ethos of the center. It also helps to formalize the operational aspects of Lucha y Siesta, providing clarity and consistency in its governance. The governance process rests on two levels: the general assembly and the assemblies of specific groups within the project. The latter are used to discuss matters that pertain to specific activities or spaces and are later referred about at the general assembly. Both these governing bodies work according to several key principles: openness, inclusiveness, and horizontality, which ensure that everyone has the right to participate and discuss their ideas, and decisions are made in a democratic way.

In addition to the self-governance declaration, Lucha y Siesta undertook a thorough social impact assessment to systematically evaluate its contributions to the community. This assessment involved collecting and analyzing data on various dimensions of the center's impact, including its social, economic, and cultural effects. The process of conducting the impact assessment was participatory, involving input from staff, volunteers, participants, and external stakeholders. This inclusive approach ensured that the assessment captured a wide range of perspectives and experiences, providing a comprehensive picture of the center's influence.

The social impact assessment highlighted several key areas where Lucha y Siesta has made significant contributions. Firstly, it documented the center's role in providing critical support to women, including counseling, legal assistance, and shelter. These services have been instrumental in helping women escape abusive situations, rebuild their lives, and achieve greater stability and independence. The assessment also noted the positive effects of these services on mental health and well-being, underscoring the importance of the center's holistic approach to empowerment. Secondly, the assessment examined the cultural and educational initiatives organized by Lucha y Siesta. It highlighted how the center's diverse programming has enriched the cultural landscape of the neighborhood. Activities such as workshops, seminars, and public events have not only provided valuable learning opportunities but have also facilitated cultural exchange and community building. The assessment found that these initiatives have played a crucial role in promoting gender equality and social justice, aligning with the center's core mission.

Furthermore, the social impact assessment shed light on the economic contributions of Lucha y Siesta. By offering vocational training and educational programs, the center has helped participants improve their skills and employment prospects. This, in turn, has contributed to greater economic stability and self-sufficiency among women, enhancing their ability to support themselves and their families. The assessment also noted the ripple effects of these economic gains, including increased community resilience and reduced dependence on social services.

The insights derived from this impact assessment have been instrumental in documenting the contributions made by Lucha y Siesta to the community and the wider cultural landscape of Rome. They provide a detailed account of the center's role in shaping the social and cultural dynamics of its neighborhood, highlighting its multifaceted impact. This documentation is not only valuable for internal reflection and planning but also serves as a powerful tool for advocacy and fundraising. By clearly articulating its achievements and demonstrating its value, Lucha y Siesta can more effectively engage with potential supporters, partners, and policymakers. The adoption of feminist and trans-feminist principles, coupled with the establishment of self-governance structures and rigorous impact assessment, has positioned Lucha y Siesta as a model of inclusive and accountable community organization. These developments reflect a broader trend within the urban commons movement towards greater inclusivity, transparency, and community participation. They underscore the potential for urban commons to serve as laboratories for social innovation, where new models of governance and community engagement can be tested and refined.

5. Discussion

The findings from Lucha y Siesta's case highlight its significant role in shaping the cultural and social dynamics of its neighborhood and Rome at large. This case study illustrates the complex interplay between urban commons and local governance, highlighting the precariousness often inherent in such initiatives, which typically navigate the grey areas of urban policy contexts. The political and legal challenges that Lucha y Siesta has faced are reflective of broader systemic issues that influence urban commons initiatives globally, underlining the vulnerability of these vital spaces to shifts in political winds and policy decisions.

The robust support from the community, especially evident during periods of legal and political uncertainty, highlights the critical role of community engagement in sustaining urban commons. This engagement has been instrumental in navigating challenges, showcasing the powerful impact of community solidarity in strengthening such initiatives. The solidarity demonstrated by Lucha y Siesta's supporters has not only helped the center withstand adversities but has also propelled it forward, allowing it to continue its mission despite numerous obstacles. This consistent community backing is a testament to the deeply rooted connections that Lucha y Siesta has fostered, which are integral to its ongoing resilience and success.

Furthermore, the evolution of Lucha y Siesta into a self-governing, inclusive feminist and trans-feminist commons marks a pivotal development in its history. This transition reflects a profound commitment to inclusivity and self-governance, setting a compelling model for other urban commons that aspire to enhance their governance structures and community impact. The adoption of initiatives such as a self-governance declaration and a comprehensive social impact assessment underscores the center's dedication to transparency and accountability. These measures provide a framework for similar organizations to demonstrate their value and secure support from a broad array of stakeholders.

The self-governance declaration established by Lucha y Siesta outlines a clear set of principles and operational guidelines, ensuring that decision-making processes are democratic and inclusive. This framework not only empowers the participants but also ensures that the center's operations remain aligned with its core values of equality, inclusivity, and community-driven development. The social impact assessment, on the other hand, systematically measures the center's contributions across various dimensions, including social, economic, and cultural impacts. By documenting these contributions, the assessment provides tangible evidence of the center's effectiveness and its transformative impact on the community.

Additionally, the experience of Lucha y Siesta provides interesting insight on the integration of support services with cultural and educational activities to forge resilient and transformative urban spaces. This integration is crucial, as it not only addresses immediate community needs but also fosters long-term societal change. Such a holistic approach is increasingly relevant for policymakers, community leaders, and activists who are deeply engaged in urban development and social justice. By examining the strategies employed by Lucha y Siesta, these stakeholders can gain insights into effectively leveraging urban spaces as engines of social change, thus amplifying the impact of their initiatives.

The narrative of Lucha y Siesta also provides a deep dive into the potential of urban commons to act as catalysts for cultural innovation and social integration. By hosting a variety of cultural events and workshops, the center has facilitated a vibrant exchange of ideas and fostered a sense of community among diverse groups. These activities not only enhance the cultural fabric of the neighborhood, in line with Howard's (1965) suggestion that the value of urban land depends on the type and amount of activities that are carried out on it but also play a critical role in challenging societal norms and promoting greater understanding and empathy among residents. The success of these initiatives highlights the capacity of urban commons to transcend their immediate environments and influence broader cultural and social policies thanks to their adaptive and transformative capacity (Petrescu et al., 2016).

Moreover, Lucha y Siesta's journey illustrates the challenges and complexities of maintaining such a space in the face of legal uncertainties and administrative hurdles. The center's experiences with eviction threats and the complexities of negotiating with local authorities reveal the delicate balance required to manage and sustain urban commons in a regulatory framework that may not always recognize their value. These challenges are emblematic of the struggles faced by similar initiatives worldwide, offering critical perspectives on navigating the intersection of grassroots activism and formal governance structures. The need for legal recognition and protection of urban commons is apparent, as these spaces respond to social needs and foster community resilience in ways that traditional urban planning often overlooks. Collaboration with local public administrations, or lack thereof, is central in co-production processes: in fact, receiving support by the city council or regional administration is often a key factor in ensuring the survival of urban commons (Parker and Johansson, 2012). In this sense, the experience of Lucha y Siesta indicates an unstable relationship with public administrations, where the municipal level has often been indifferent or hostile, and the regional level has either been openly supportive or openly hostile. In this case, rather than observing commons-led co-production (Bianchi et al., 2024), we find a situation where the commons risks being co-opted if it enters a co-production process, given the vast spectrum of interests at stake, many of which change depending on the political orientation of the local administration.

It is also possible to compare our case with other relevant experiences in the field of cultural activities. In Rome, for example, the most famous example is the Teatro Valle Occupato, a theatre that was occupied by culture workers following a series of worrying political developments regarding its future. The occupation lasted from 2011 to 2014 and contributed to keeping the theatre alive, with an engaging daily program; it ended under request of the public administration, which stated that restauration work needed to be performed urgently (and were not). When it partially reopened under public ownership, the foundation created by activists was not included in any way. Other experiences, on the other hand, benefited from the support of local administrations and are still active, such as the L'Asilo (Ex Asilo Filangieri) in Naples: in this case, the municipal administration was very supportive, being the first in Italy to create a Department for Commons and to include the juridical concept of "commons" in its regulations. This allowed L'Asilo to flourish and to elaborate a "Civic use declaration" (Dichiarazione di uso civico) to reclaim the space and promote its self-governance; the declaration was later acknowledged by the municipal administration, which legitimized it. Teatro Valle Occupato and L'Asilo present several similarities: first, their approach to governance processes, which are always informal, democratic and consensus-based; secondly, their core focus, rooted in the cultural and creative sector. Moreover, both these commons have had positive results in terms of the outcome of their activities, which have been greatly appreciated and supported by the local community and workers in the cultural sector. Despite their fruitful impact on cultural processes, the key difference between them is found in their long-term survival (only L'Asilo still exists), which was strongly influenced by policy interactions. In the case of Teatro Valle Occupato, the strategy of the local administration was not aligned with the one pursued by the activists, and this difference led to the overall end of the project. L'Asilo, on the other hand, was in a more favorable situation, where the local administration was willing to accept and legitimize the creation of urban commons.

These two experiences indicate that co-production is possible when there is an open, positive approach by the public administration; in other cases, urban commons can survive even without public support, but they will tend to be perceived as more precarious, and there will be no chance of cross-sector collaboration. The case of Lucha y Siesta indicates that the main barriers to co-production and collaborative relationships can found in (i) the behavior of the public administration and (ii) difficulties in finding a common "language" to communicate. For what concerns the first point, if the public administration already recognizes the value of commons and their importance as collective processes, it will be easier to collaborate; moreover, the public administration should also be flexible enough to take into account such forms of collective activity that works so differently from itself. For what concerns the second point, much often urban commons are informal experiences, led in a non-hierarchic way, and they employ categories and theories that are politically positioned, embrace different values and are usually more advanced than those of the public administration. This creates a divide between activists and administrators, and it would be important to build a "communication bridge" in order to foster cooperation. Finally, another aspect to take into account when examining the relationship between urban commons and local administrations is the risk of de-politicization of the former (Bianchi, 2018), which would need to lose their more advanced, disruptive features in order to be "accepted" as legitimate partners in co-production processes.

The proactive approach taken by Lucha y Siesta in conducting social impact assessments and engaging in self-governance practices also highlights the importance of self-reflection and adaptation in managing urban commons. By continuously assessing their strategies and impact, urban commons can remain responsive to the needs of their communities and agile in the face of changing socio-political landscapes. This adaptability is essential for sustaining their relevance and effectiveness over time, ensuring that they remain vital resources for their communities. The ability to adapt and evolve is a hallmark of successful urban commons, demonstrating that they can meet the dynamic needs of their populations while navigating external pressures.

In light of these considerations, the case of Lucha y Siesta not only celebrates the achievements and resilience of these particular urban commons but also critically assesses the ongoing challenges it faces. This nuanced understanding is essential for anyone involved in the development and management of urban commons, providing them with a comprehensive blueprint for leveraging these spaces to foster cultural and social development. The insights gained from the Lucha y Siesta case study emphasize the transformative potential of urban commons when they are effectively integrated with community engagement and governance practices, thereby reshaping urban landscapes in culturally and socially enriching ways. The lessons learned from Lucha y Siesta highlight the importance of community solidarity, inclusive governance, and the integration of cultural activities in sustaining resilient urban commons.

6. Conclusions

Urban commons represent a compelling form of re-appropriation of unused or abandoned spaces, contributing significantly to urban regeneration and to the evolution of the concept of the "right to the city" (Grazioli and Caciagli, 2018). While regeneration may not always be the primary objective, it inevitably emerges as a consequence of the re-purposing process. The idea of "process" itself is, actually, quite important: urban commons are often defined as a social process (Linebaugh, 2008). Activists focus on reclaiming these spaces for the local community (Huron, 2017), ensuring that urban commons are not held as 'private' assets by those who initially occupy and take risks, such as those associated with illegal occupation. Instead, they are opened up to the community and to anyone wishing to access them or participate in the activities hosted within.

Urban commons play a crucial role in defining local cultural initiatives, doing so in a grassroots manner by considering social needs and collective values. These spaces become hubs for cultural exchange and social activism, often driving the cultural dialogue by integrating a wide array of community-centric activities and programs. This grassroots approach is particularly effective in its capacity to reflect and respond to the direct needs of the local population, fostering a sense of ownership and belonging among community members. Future research will focus on extending the database of urban commons specifically engaged in cultural aspects, in order to expand the analysis of their contributions to these issues.

The case of Lucha y Siesta in Rome exemplifies how urban commons can play a crucial role in defining local cultural initiatives in a grassroots manner, tailoring efforts to meet social needs and collective values. This center has evolved from a refuge to a vibrant hub for activism and cultural exchange, deeply influencing the cultural and social dynamics of its neighborhood and beyond. By hosting a diverse array of activities, from workshops and seminars to cultural events, Lucha y Siesta has fostered a dynamic environment for community engagement and social empowerment.

However, the journey of Lucha y Siesta also highlights the challenges urban commons face, particularly in their interactions with public administrations (Bianchi, 2018). While local communities often embrace such initiatives, public authorities can be more cautious, primarily due to legal concerns about the occupation of spaces that still have recognized owners, including the public administration itself. This legal contention underscores the broader systemic issues that can impact urban commons globally, reflecting the precarious nature of such initiatives which often exist in a gray area of urban policy contexts. However, urban commons can be seen as a tool in the remunicipalization process (Becker et al., 2017) that goes beyond traditional dichotomies such as public or private ownership of urban space.

Despite these challenges, the response from the community and broader network of supporters to political and legal hurdles has been formidable. Such engagement underscores the potential of community solidarity in bolstering urban commons, a crucial factor in the sustainability of Lucha y Siesta. The community's proactive support through demonstrations and advocacy has been pivotal, highlighting the center's role not just as a refuge but as an essential cultural and social institution.

Several Italian cities have responded to the challenges and potential of urban commons by adopting regulations for the collaborative management of these spaces. Some regions have even passed laws to protect and promote the sustainability of urban commons, recognizing their value in urban planning and community development. However, there remains a lack of a unified, strategic approach to urban commons across different administrative frameworks, reflecting a broader inconsistency in public policy towards these community resources. Moreover, even when pubic administrations seem to embrace the concept of commons, the risk of depoliticization is present (Bianchi, 2018).

The need to promote lawful behavior and respect for property rights must be balanced with an appreciation for the social value created by urban commons. These spaces often address pressing social needs in ways that conventional urban planning does not, offering innovative solutions to issues of social inclusion, cultural expression, and community development. Public policy thus faces the challenge of adopting a more cooperative and integrated approach to urban commons, recognizing their potential as tools for urban regeneration and social empowerment.

In crafting policies that support urban commons, it is essential for public administrators to engage with these initiatives not as adversaries but as partners in urban development. This cooperative approach could involve legal reforms that provide a framework for the establishment and operation of urban commons, financial and logistical support to ensure their sustainability, and recognition of their role in enhancing urban life. Such policies would not only help legitimize these initiatives but also harness their potential to contribute to the cultural and social fabric of cities.

Ultimately, the discourse surrounding urban commons highlights a fundamental shift in how urban spaces are viewed and utilized in the contemporary cityscape. By fostering environments that are inclusive, participatory, and responsive to local dynamics, urban commons challenge traditional notions of urban development and management. They represent a dynamic intersection of law, culture, and community engagement, offering valuable lessons for urban planners and policymakers aiming to revitalize cities in ways that truly reflect and accommodate the needs of their populations.

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COLLABORATIVE GOVERNANCE IN THE MANAGEMENT OF CULTURAL SITE

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Abstract

Purpose. *The paper aims to demonstrate the importance of multistakeholder systems in the management of "minor" cultural sites. Starting from an analysis of the literature on collaborative governance, it aims to understand the criteria for the applicability of different management models and the possible spin-offs in view of the peculiarities of each site and the relationship between external factors and the applicability of management practices.*
Design/methodology/approach. *Multiple case study was used through the tool of semi-structured interview with cultural site managers.*
Findings. *The correlation between stakeholder-related factors, including their role, motivation and purpose, and the choice of management model was demonstrated.*
Research Limitations. *This research does not contain guidance on measuring the performance of the case studies.*
Originality of the study. *Building on studies conducted on large cultural attractors, directions are given for systematizing networks even in smaller sites, implementing good management systems and fostering participatory governance. Compared to what has been presented previously, 4 case studies are examined.*

1. Theoretical background

1.1 Collaborative governance

A survey of the literature reveals that the definition of "collaborative governance" is marked by a different approach. While some scholars attempt to understand its goals, qualities and general principles, it appears unfeasible to adopt a single definition. Instead, the focus is on describing the procedures and elements that determine collaborative governance (Gash, 2022). Despite the different approaches, scholars agree that some basic elements must be present to talk about collaborative governance. Firstly, collaborative governance regimes exist at multiple levels of government (both public and private) to solve multiple policy responses that differ from traditional approaches (Davies and White, 2012; Emerson et al., 2012). At these different levels, communities need to be encouraged to participate, particularly as they provide solutions to problems that they know in detail (Plummer and Fitzgibbon, 2004; Davies and White, 2012). The presence of facilitators who manage relationships (Martini, 2013), enable dialogue (Bidwell and Ryan, 2006) and promote joint decision-making (Hicks et al., 2008; Ansell and Gash, 2008) is essential for this to happen. Collaborative governance is characterised by the generation of synergies through shared decision-making processes, where "stakeholders invent new ways of seeing and responding to social issues" (Hicks et al., 2008, 456). The concept is not predicated on imported participation or political endorsement, but rather on mutual comprehension and consensus (Mitchell and Shortell, 2000; Gerlak and Heikkla, 2005; Hicks et al., 2008). The efficacy of collaborative governance is contingent on the strength of the relationship between each partner (Gash, 2022).

The purpose of this study is not to provide a definition of collaborative governance or to analyse its deficiencies and failings. Instead, the study seeks to understand how stakeholders can participate in a local governance system responsible for cultural heritage management. It is, therefore, imperative to undertake a thorough stakeholder identification process. According to stakeholder theory (Freeman and Reed, 1983), the success or failure of a strategy is dependent on the favourable or hostile behaviour of the stakeholders, emphasising the necessity of considering stakeholder interests from the outset of the management process. This approach facilitates the comprehension of stakeholders' views and behaviours, and, where possible, secures their support by optimising their involvement and aligning their interests with the project (Freeman, 2023). The identification of stakeholders may involve techniques such as interviews and brainstorming, while stakeholder mapping is typically employed to facilitate the understanding of interrelationships. The resulting network of stakeholders can then be managed in a manner that differs from an organisational, communicative and managerial perspective, as will be discussed in the following section. In order to ensure the continued viability of stakeholder interests and the balancing of organisational, communicative and managerial considerations, it is essential to consider some elements: the role (funder, facilitator, service manager, etc.), expectations and objectives, and the likelihood of achieving them. In addition, the attitude towards the project (proactive, cautious, etc.) of the whole group and the manager must be considered, as well as any external factors that may influence attitude and expectations (Freeman, 2020).

In the domain of governance of local cultural heritage (and, indeed, common heritage in general), it is of the utmost importance to engage the citizenry as an intrinsic part of the territory among the stakeholders. The question of how participation should be conducted in the field of cultural heritage remains unanswered. It is acknowledged that, in certain instances, citizens engage in cultural initiatives as co-designers (Ciolfi et al., 2008) and co-implementers (Voorberg et al., 2015). The implementation of participation in governance processes through innovative tools has been a focal point of scholarly research (Sokka et al., 2021), as has the impact of such cultural initiatives on the social and economic fabric (Biondi et al., 2020).In order to pursue common goods (such as cultural heritage), participatory forms of governance require the involvement of networks comprising a significant number of actors in the processes of policymaking, the enhancement of public goods and the management of related issues (Aureli and Del Baldo, 2023). While the community is the foundation for government action, it is also inherently linked to the territory. This necessitates the management of a system in which the direct involvement of users, citizens and communities in the planning and delivery of services from which they themselves benefit is prioritised (Parks et al., 1981). It is therefore necessary to identify the balance between governance and participation, an approach that allows for the prevention of potential conflicts and the nurturing of creative solutions (Biondi et al., 2020). It is therefore essential to grasp the fundamental role that governance plays within the network system. The ability to analyse stakeholders, as will be demonstrated in the case studies, is therefore fundamental to governance management.

1.2 Network Governance Management Models

In order to achieve equilibrium between the interests of the various stakeholders, it is vital to gain an understanding of the role that governance plays within the network system. Some studies (Provan and Kenis, 2008) posit that two elements warrant consideration: the potential involvement of a mediation body and the background of the mediator, which may be internal or external to the group.

A further study (Mastrodascio, 2022) has developed, evaluated and implemented three models of network governance management in the context of UNESCO cultural sites. The following section will present the three models and examine the conditions under which they can be applied to local cultural sites.

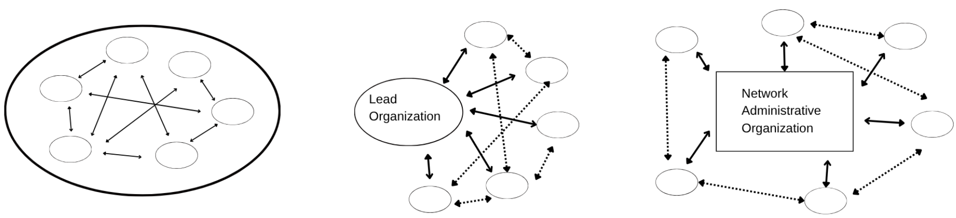
Self-governance network (Fig. 1): In this model, all actors engage in both formal and informal governance actions, with decision-making processes guided by the principles of trust and reciprocity. The distribution of power among members is egalitarian, regardless of any potential influencing factors (e.g., size, resources, expertise, etc.). Consequently, no actor occupies a dominant position over the others, whether at the organizational or decision-making level. Although scholars have identified this model as particularly suitable for networks comprising small, geographically proximate entities (Kenis and Provan, 2009), no case studies were identified that employ this model for the management of local cultural sites. While the egalitarian involvement and commitment of all members is a key strength, the current situation requires the coordination of a leader who can maintain the balance and ensure the flexibility to respond to the needs of all stakeholders. Limit of this model does not find applicability in private sites.

Lead organizations: In this model, the leader bears responsibility for the management of the network and serves as the coordinator (Provan and Milward, 1995) through a centralized system wherein a single actor oversees the relationships and practices of the network. One potential drawback is that some members may perceive the leader's actions as driven by self-interest, which could lead to reduced stakeholder cooperation. More specifically, in lead organization governance, all major network-level activities and key decisions are coordinated through and by a single participating member, acting as a lead organization (Provan and Kenis, 2008).

Network administrative organizations (Fig.3): This model is one of the most prevalent cultural heritage management systems, employed at sites of both national and local significance. The model is distinguished by the presence of an external administrative entity, constituted for the express purpose of governing the network (Provan and Kenis, 2008). It is therefore incumbent upon the external entity to act as a facilitator, limiting its role to that of coordinating and supporting the network, without intervening in the political and decision-making dynamics. The greater the number of stakeholders in the network, the greater the formal structure of the external entity must be. (Evan and Olk, 1990; Provan et al., 2005). A further step that can be taken through this type of model extends beyond the network that governs a single cultural site. The implementation of this strategy at the local level necessitates a shift in perspective, whereby management is viewed as the networking of the entire territory. In instances where an external entity is responsible for coordinating stakeholders with strong geographic ties to a specific area, the exclusive focus on the management of a single site is no longer a viable approach. It is essential to establish a network of connections between the site and other assets in the surrounding area, with the aim of enhancing its overall value. This will require the development of a tool that can act as a catalyst for the smaller sites in the region. It is therefore necessary to introduce an additional level of relationality that will enable all cultural institutions and sites in the area to interact at Level II, without the constraints imposed by institutional rigidity (Donato and Gilli, 2011).

The analysis of such models enables scholars to comprehend the establishment of management networks for cultural heritage, as will be demonstrated in the following chapter. The models mentioned will be presented with specific attention to their applicability at the local level, through the medium of case studies, thus rationalising the management model of the sites under consideration. At present, these sites operate according to stakeholder management criteria but lack a clear articulation of their system. A rationalisation of this kind is critical in providing the necessary guidance to site managers, who might otherwise lack the knowledge to connect stakeholders. The rationalisation should be based on existing schemes at higher levels, such as UNESCO sites.

Fig. 1, 2, 3. Network Governance Management Models



Source: Mastrodascio et. al (2022).

Tab.1 Network Management Models

Type	***Self***	***Lead Organization***	***Network Administrative***
Strengths	Trust between actors, formal and informal actions	Accession between coordination and decision-making power	Differentiation of adherent subjects, possibility of more subjects
Weaknesses	Implementation difficulty Non-inclusiveness profit subjects	Possible distrust of partners	Difficulty finding disinterested mediator
Features	Shared power	Centralized Systems	Third-party mediated power

2. Case study

2. Methodology

In order to analyse the four case studies, four interviews were conducted with contact person from the managing entity. The interviewees included the president of the cooperative for the Hermitage of Santo Spirito, the director of the Campi Flegrei Archaeological Park, the communication officer of the Catacombs, and a consultant from the mediating body Italia Nostra for Bagni di Petriolo. The interviews were recorded and transcribed, and lasted a total of 4.17 hours and were conducted between September 2023 and March 2024. The study also drew on sources such as relevant articles, manuals and textbook chapters regarding the history and management of the four case studies.

In addition, site visits were conducted by the authors to observe the characteristics of the sites (however, for the Campi Flegrei Archaeological Park, only the two sites in the experimental phase were visited).

The selection of four case studies was guided by the authors' research objectives, which included the examination of minor sites, the role of informally initiated management in facilitating the opening of previously chisui sites, the presence of at least three stakeholders of diverse natures, the existence of social distress in the sites, and the impact of the new management on fostering community cohesion. The rationale behind this selection is elucidated below. The following characteristics were considered: sites with minor sites, sites with previously chisui sites opening due to informal management, sites with at least three stakeholders of different natures, sites in social distress, and sites where the new management has created affection in the community. Nine sites were found, four of which were chosen for stakeholder type to show different applications. Features and differential elements that can be used to determine the most appropriate management model were considered. The four sites under examination are distinguished by the co-presence of stakeholders and a participatory governance process, albeit at varying levels. The objective of the case studies was to ascertain whether network complexity affects the choice of management model. The four case studies adopted a management system that facilitated the usability of previously inaccessible or partially accessible assets. It is possible to ascertain the extent of progress achieved by management, although this is not among the objectives of the present study. This, therefore, serves as a foundation for the establishment of optimal practices for the administration of minor cultural sites. Moreover, sites were deliberately chosen that, despite their historical and identity value, received limited community engagement, yet achieved and maintained commendable involvement levels. This study offers insights into the extent to which co-design and participatory processes influence management choices and, further, provides a foundation for developing optimal practices for the administration of minor cultural sites. In selecting the case studies, the following criteria were employed: two sites belonging to public entities (one to a local authority, the other to the Ministry of Culture), one to a multinational corporation, and one to the Church. This allowed for an analysis of the behaviour of the property in accordance with its nature. It is evident that the role and form of network actors vary in complexity across the four sites, influencing the organisational and governance choices made. The selection of these four cases was driven by the observation that, despite their apparent progression or initiation, they all grapple with a common challenge: the lack of awareness regarding the formalisation of management processes, which then unfolds unconsciously. The exception is the Phlegraean Fields Archaeological Park, which is addressing this challenge through a post-experimentation approach (the site was analysed during the experimental phase). This analysis is crucial for the systematic development of a model that considers the strengths to be maintained, the weaknesses to be emphasised, and the effective assets to facilitate maintaining the balance.

2.1 Hermitage of Santo Spirito a Majella (SSM)

2.1.1 History and governance of site

The current management structure is as follows: the owner is responsible for carrying out extraordinary restoration work, typically funded by public resources from the regional government. On the other hand, maintenance, guided tours and ordinary services, accommodation and hospitality are the responsibility of the cooperative, which is the sole entity managing the site. Professionals specialized in certain services, such as theatre companies and musical ensembles for concerts, are employed to enhance the site. In fact, the primary goal of the current manager, as stated in the interview, is to "[…] broaden the outreach, involving a wider range of stakeholders, including tour operators, to facilitate the creation of visitation programs and to fit into a broader circuit that allows connections with other cultural sites in the region".

The problem that is highlighted is the lack of a pathway that has not worked so far was the isolation and lack of connections in pathways. To make up for this lack in more recent times (2024) to respond to that problem, the cooperative was absorbed by Majambiente, thus creating a single entity that creates routes over the entire territory.

Another assimilable solution could be convention with tour operators or organizing entities.

2.1.2 Management Model

Building on the existing literature on networks, an analysis of the management of this site in the context of the previously proposed theoretical models reveals a clear shift in the management model over time. Initially, a network administrative organization type of management was established, with Italia Nostra specifically selected to lead the management and connect the other two actors. In this model, the ordering party is the owner, namely the municipality, while the coordinating party is Majambiente. Majambiente not only oversees the management of the site and associated services but also serves as the lead organization for all activities pertaining to the property. The managing entity is the sole organizational actor to assume responsibility for collaboration, thereby assuming a leadership role. It is his responsibility to ensure that the interests of all stakeholders are maintained in order to guarantee the continued existence of the network. Additionally, the managing entity is responsible for decision-making regarding site selection, commencing with the necessity of establishing connections with neighbouring hermitages. The management, decision-making, and coordination of the network are all the responsibilities of the managing entity, which serves as the leader of the network.

The organization in Lead is also evident from the relationship between manager and ownership: for example, proceeds are not donated based on a percentage of ticket receipts. Instead, an annual total is set to be donated regardless of revenues. Thus, it can be seen that the current management body shows strong leadership and that there is a well-structured relationship of trust among the different members of the network. This allows for a balance of the network and the achievement of goals and results for the site. The reposed trust is also evident by referring to the words of the manager who states that the municipal administration that owns the asset expects to see an increase in results over the next five years.

2.1.3 Management implications

The organization in Lead is also evident from the relationship between manager and ownership: for example, proceeds are not donated based on a percentage of ticket receipts. Instead, an annual total is set to be donated regardless of revenues. Thus, it can be seen that the current management body shows strong leadership and that there is a well-structured relationship of trust among the different members of the network. This allows for a balance of the network and the achievement of goals and results for the site. The reposed trust is also evident by referring to the words of the manager who states that the “[…] municipal administration that owns the asset expects to see an increase in results over the next five years”.

2.2 *Bagni di Petriolo*

2.2.1 *History and governance of the site*

Bagni di Petriolo thermal site is located within the Farma nature reserve. The site is located in the municipality of Monticiano (SI), on the border with the neighbouring municipality of Civitella Paganico (GR). The area outside the walls includes an inn with an adjoining restaurant and the so-called "new baths", a site built in the 2000s. Ownership of the Bagni di Petriolo and the two neighbouring buildings are owned by Unipolsai, which has acquired the "bagni nuovi" site in recent years. As far as conservation and protection are concerned, the site is currently undergoing advanced but not yet complete restoration, while as far as valorization is concerned, according to Raniero Maggini, Italia Nostra consulent, "some actors are laying the foundations for a collaboration". In 2015, Italia Nostra contacted the owner, Unipol, the entity responsible for the construction of the road, and local administrations in order to reduce the impact of the construction project and take action to safeguard the asset. This process, which began with an examination of the site, culminated in the formulation of restoration and enhancement projects. Free access to the pools, on the one hand, it attracted a clientele of spa tourists, while on the other, it provided access to a heterogeneous public, including a community of the disrespectful. This led to the removal of those who had come for spa tourism and the local population, which in turn led to the deterioration of the entire site. The inn, therefore, ceased operations, reopening only at the end of 2022. This led to a significant decrease in maintenance, which had previously been ensured. In addition, the construction of a road cutting the site in two had a negative impact on the surrounding area. The account of the current manager revealed the full list of stakeholders associated with the site. In addition to the Unipolsai company, which owns the site and provides significant financial backing, the site also receives funding from a public grant awarded by the Ministry of Culture. This grant was obtained by the municipality of Monticiano, which oversees the site. The municipality will utilize the aforementioned funding to enhance part of the area and to cover the costs of ancillary services to the site, such as parking. The proprietor has engaged the services of a third party to oversee the accommodation facilities, including reception and spa management. Another entity operating within the third sector, currently considered to be managing, serves as a liaison between the property and the municipality and is responsible for forming a citizens' group for the future management of the cultural site.

2.2.2 Management model

The model applied is the Network Administrative Organization, the leader of which is currently represented by Italia Nostra. Although this project is still being defined as the current approach, the number and complexity of stakeholders and the interactions woven so far seem to reflect a type of organizational model in which a common line of direction is complemented by the needs of individuals. All stakeholders are interested in the enhancement of the Bagni di Petriolo site, but at the same time, each is pursuing, in conjunction with the others, its own interests. The interests at stake are attributable to a large number of stakeholders, and autonomous management would risk reaching a very large level of complexity that poorly managed can lead to the breakdown of the network. Finally, it is possible to speculate that the Lead Organization model may find a place at the moment when the current lead partner, Italia Nostra, pulls out of the process as is its wont. From that moment on, organizational management could be in the hands of one of the actors within the network, provided that it succeeds in gaining a good degree of trust from the other stakeholders, an essential element for the success of such a governmental system.

2.2.3 Management implications

In the case of the Bagni di Petriolo site, a highly integrated management structure is emerging in which property interests are represented by an external coordinating body and interact with interested institutions and citizens. The creation of such a complex network can also lead to the management of several cult sites and thus to a holistic interprovincial territorial approach.

2.3 Campi Flegrei Archaeological Park

2.3.1 History and site management

The autonomous entity was established in January 2016, subsequent to the reform of autonomous archaeological parks and museums in 2014. The strategies and financial support allocated to each strategy are determined by the advisory bodies (board of directors, board of auditors, scientific committee), which assess their implementation and budgetary performance. The responsibility for personnel management is assigned to the Ministry, which oversees it in accordance with its intended purpose.

The park encompasses 25 sites distributed across four municipalities in the province of Naples (Pozzuoli, Bacoli, Giugliano in Campania and

Monte di Procida), a vast area lacking a clearly defined perimeter that has influenced the identity formation of the site. Moreover, at the time of its designation as an autonomous entity, the park comprised merely four operational sites. This prompted the necessity, as articulated by director Fabio Pagano, of " [...] devising a strategy that was not merely relational but also one that would pioneer novel models for the stewardship and promotion of the extensive heritage in question". Consequently, while "on the one hand efforts were made to engage the local community through the implementation of loyalty strategies, on the other hand, there was a focus on promoting well-preserved sites to a national and international audience". According to director, the public-private collaboration was prompted by the necessity to enhance the standard of several sites through the implementation of innovative and community-oriented systems. This project aimed to contribute to the creation of a new opportunity for the area, particularly in relation to two sites that were considered particularly attractive. Consequently, a two-year experimental phase was initiated, during which the local authorities assumed responsibility for the opening and utilization of the Piscina Mirabilis and the Marcellum Theatre. The management approach was characterized by a continuous co-design process, involving the regular negotiation of objectives, the use of performance indicators to monitor results, and a capacity for adaptive action in response to identified shortcomings. The experimentation has now resulted in the issuance of a public notice, which invites interested parties to submit proposals for the management of the entity for a period of two years. Although the experiment was positive, in the new call for tenders to regularise this governance system, it is requested that the managing body also take care of the catering. This request entails a greater risk for the entity taking charge, which must also invest in the opening of the on-site facility. The notice states that future users are required to enhance the site and to assume responsibility for the management and maintenance of the site, with the intention of also sharing the back-office work.

In these two experimental sites, participants will engage in management through partnership tables, where annual and event planning, pricing policies, and communication plans are developed. Furthermore, the Archaeological Park will retain responsibility for the protection of the property and the control of service quality. However, the management team has already achieved notable results and aims to implement a sustainable model for the park, with the objective of becoming a model of energy generated through visitors and partnership relations, as well as an ongoing investment in the planned care of the heritage.

2.3.2 Management model

Considering only the sites under experimentation, a brief overview of the actors present at the two sites is provided. The Ministry of Culture, the owner of the sites, is responsible for providing the necessary financial resources for the extraordinary maintenance of the sites. The Archaeological Park is an autonomous body that oversees the protection of the experimental sites and participates in the governance processes through quarterly participatory tables on enhancement activities. Third sector entity: local entities responsible for the enhancement, site opening and guided tours three times a week during the experimental period. In the following three-year period, the contractor will also be responsible for the provision of canteen services, additional services, the opening of an additional site and the maintenance of the green areas. A lead system is applied with a strong participation of the third party, but still assuming a secondary role at the decision-making level.

2.3.3 Management implications

The placement of the site in the Lead model serves to emphasize the role of ownership, whereby the ministry is observed to exert minimal influence at the management level. This is due to the fact that the park is autonomous in its management and budgetary processes. In this context, the Ministry can be considered to fulfil the role of a financier.

The Park Director's objective is to achieve autonomy for the various sites by delegating site development activities to an external entity. This approach generates revenue and allows for cooperation while maintaining management autonomy. However, it requires the establishment of a control mechanism to supervise the private party responsible for the management of the sites. In the context of the two experimental sites, the park has the role of leader, taking responsibility for coordinating the activities proposed by a third party engaged in enhancement activities. Although the two entities are on an equal footing, there is a financial superstructure that dictates generic guidelines.

2.4 The Catacombs of Naples

2.4.1 History and governance of the site

This site is owned by the Pontifical Commission for Sacred Archaeology and was brought to light by the Cooperativa La Paranza, which was founded in 2006 in the Sanità district of Naples. The cooperative was established by a parish priest of Santa Maria della Sanità with the objective of providing the young people of the district with a future and hope. The area is geographically isolated and has been neglected by institutions that could otherwise provide support, resulting in significant economic and social challenges. By enhancing the artistic and cultural appeal of the area, an effort was made to provide employment opportunities for the unemployed youth, thereby restoring cultural value to the Neapolitan suburbs. The valorization of cultural heritage serves as the instrument utilized to achieve the social mission, which represents the primary objective of the cooperative. In 2008, the association L'altra Napoli Onlus initiated a call for tenders and crowdfunding project, which provided the necessary resources to commence the project to secure and enhance the Catacombs of San Gennaro. This involved entering into a concession agreement with the Diocese of Naples and, subsequently, with the Pontifical Commission for Sacred Archaeology. In most cases, the management of the Catacombs is delegated to third parties, who are required to pay a percentage of ticket revenue to the Pontifical Commission for Sacred Archaeology. From the information provided in the interview, it can be inferred that this taxation is only applied in cases where the Catacombs receive a considerable number of visitors. In such instances, the agreement, which was signed in 2024, stipulates a five-year agreement with a percentage on revenue of 15% for the first two years, 20% for the subsequent two years, and 25% for the fifth year. The management process is conducted primarily by the Cooperative, which employs its own personnel at all managed locations on a rotating basis, with the exception of teams operating within administrative offices and refreshment areas. As stated by the communication manager, this form of management entails collaboration with external entities to provide certain services. One such example is the partnership with the social co-op Iron Angels to develop a route for blind and visually impaired visitors. Furthermore, the cooperative has elected to collaborate with local enterprises with regard to the lighting system. The objective of the management choices is to benefit local stakeholders, which represents the founding value of the entire project. The remaining services are the responsibility of the cooperative, which also oversees staff training, allocating a greater degree of attention to this during the low season.

The project was also made possible thanks to the availability of professionals who made their skills available right from the outset and have yielded positive outcomes.

2.4.2 Management model

In the present case study, management is built around a single actor.

The other actors surrounding the site play a marginal role. Although the PCAS is de facto the owner, it plays an irrelevant role in terms of decision-making and organizational processes. Its only responsibility is the extraordinary maintenance of the site. Although it exerts minimal influence at the management level, its presence is significant because, as owner, it plays an economically central role at this and other sites. This implies that, although it exerts minimal influence on decision-making processes, ownership has a pronounced interest in the financial system.

The other actors involved in the management of the site are minor entities in the area, providing occasional services at the request of the cooperative. The only entity that provides continuous collaboration is the maintenance cooperative. However, it cannot be considered a stakeholder as it lacks interest and decision-making/organizational power. Therefore, the community plays a key role as a stakeholder In view of the aforementioned considerations, it seems plausible that the model to be applied in this instance is that of the Lead. In this model, the Cooperative assumes the role of the leader, representing the interests of the property, the territory, and the collaborating entities. Model works for ability to attract communities, but there remains the problem of seasonal adjustment.

2.4.3Management implications

The consequences of these articulations are most evident at the territorial level, manifesting not only as a redeveloped neighbourhood but also as a cohort of individuals who are integral to the management process. The reopening of the catacombs with young people from a disadvantaged neighbourhood has had a positive impact on the community, restoring confidence and providing employment opportunities for many young people in the area. In terms of organisation and management, this necessitates a constant process of participatory planning.

This has resulted in the expansion of the project and the activation of other cultural sites (the catacombs and other types of assets), which in some cases are integrated into thematic trails.

3. Analysis of results

All of the surveyed sites started the restoration process, which also included enhancement and public accessibility. This was done through the mediation of a single association. However, the governance model evolved heterogeneously. In the Hermitage of Santo Spirito and the Catacombs of Naples, management is unified under a single figure, who acts as leader of the system. In the Bagni di Petriolo site, a highly integrated management structure is emerging, in which the interests of the property are represented through an external coordinating body and interact with the institutions and citizens concerned. In the Archaeological Park, a form of co-management has been established for the experimental sites. The specific type of ownership is not the main factor influencing the choice of the management model; rather, it is the composition and role of the actors that are most important. It is evident that the number of actors involved introduces a greater degree of complexity in the balancing of interests in the network. Consequently, in such circumstances, the appointment of an external administrator is more likely.

This analysis shows that the governance model does not depend on the number and nature of the actors involved, but rather on the role each actor assumes within the network and the contribution they make according to their respective interests. The three sites that have adopted the lead organisation model are distinguished by an ownership that has limited decision-making authority, an entity that oversees the direct management of the site, and other entities that act as proponents. Thus, the leader in these cases is never represented by the owner. Considering that the Lead Organisation model is the more centralised one, it is easy to understand how ownership has even less management power in sites adopting the other two models. In fact, as seen in the theory, the Self-Governance Network is based on the equal sharing of management and decision-making power, while the NAO delegates the coordination and management functions externally. The Bagni di Petriolo case study shows that in the NAO, the balance of power is managed by the third party, which allows for collaboration between stakeholders. In the different models, the relationship between the different may be standardised in terms of operational management but the characterisation of the institutions participating in that networking process determines their role.

Tab. 2: The role of stakeholders in the case studies

Name of site	N. of stakeholders	Type of stakeholders	Role of stakeholders	Model
Hermitage of Santo Spirito a Majella	3	1 Municipality 1 Cooperative 1 Tour Operator/other proponents	Municipality = ownership Cooperative = management T.O = trail organisation, networking with other neighbouring sites	Lead organization
Bagni di Petriolo	6	1 Municipality 2 Private companies 1 Third sector association 1 Community 1 Local authority	Private company= owner, financier Private company= operator of catering and accommodation services Municipality= site area, financing some services Association= coordination Community: involved from the start of the project + community group living on the site Local authority= future manager of some services (e.g. guided tours, parking etc.)	Network organizazion
Parco archeologico dei Campi Flegrei	3	1 Ministry of Cultural Heritage 2 Autonomous Archaeological Park 3 Territorial authority	1 Ministry= owner - funder 2 Autonomous archaeological park= manager 4 sites + coordinator 2 experimental sites Local authority= manager of experimental sites	Lead organization
Catacombe Napoli	4	1 Pontificia Archeologica Sacra (Picas) 2 Diocese of Naples 3 Cooperativa la Paranza 4 Maintenance Cooperative	1 Pontificia Archeologia Sacra= owner 2 Diocese of Naples= entrusted manager who in turn entrusts to 3 3 Cooperativa la Paranza= actual manager 4 Mantaince cooperative= entrusted maintenance services	Lead Organization

4. Conclusions

The present study was initiated in response to the necessity to comprehend the management of local cultural sites, which are characterised by the interests of diverse stakeholders who are responsible for their care. The theme of collaborative governance was therefore investigated, characterised by the presence of different stakeholders who must achieve a balance in terms of organisation and decision-making. The study, therefore, briefly focused on the needs of stakeholders and identified some models that have been utilised in the field of heritage management, in order to facilitate a more profound understanding of how to articulate networks of stakeholders.

The four case studies analysed revealed a range of management situations, characterised by a diversity of stakeholders with a range of interests. The heterogeneity of the sites in question has given rise to a number of useful considerations for local site managers, indicating best practice for the management of sites by involving all stakeholders, including the community. The findings indicate that the interests pursued by each entity are determined at both the entity level and the network level as a whole. Indeed, each stakeholder, in addition to pursuing an individual goal, contributes to achieving a common goal. As previously stated in the literature, if the interest in the common goal is lacking, the stakeholder withdraws from the network. These interests are contingent upon and vary according to the objective of each actor, as well as the intrinsic nature of that objective. For further insight, one might consider the case of the Bagni di Petriolo site, which is owned by a private entity but has nonetheless demonstrated a keen interest in becoming involved in the network's organisational and decision-making processes. This case demonstrates the potential for private property owners to play an influential role within the network, and the entity's interests are of a particularly high order, with its objective oriented towards achieving results. In this particular instance, Unipol is driven by a robust social inclination that serves to enhance its motivation. In contrast, the public ownership of the Hermitage assumes a less decisive role, as its interests, although existing, are oriented towards the public use of the property. It is evident that the administrations do not seek to generate a return on investment from a public asset; instead, their objective is to ensure the long-term sustainability of the asset in question. This rationale can also be applied to the Campi Flegrei Archaeological Park. This suggests that the nature of the entities may influence their interests and objectives, and thus the role they intend to play within the network. However, it is evident that this is not the only element that determines the interests of the entity. This is demonstrated in the case study of the Catacombs, where the property, although it obtains income from management, does not play an active role. It is imperative that governance models are determined with consideration of the composition of the network, the characteristics of the site and environmental issues. It is not sufficient to replicate a governance model; rather, it must be adapted according to the exogenous factors of the site, with consideration of which long-term performance outcomes and results are contingent.

The role that each actor assumes within the network is contingent upon a number of factors, including the nature and competencies of the actor, its own and common objectives, and the nature and role of the other actors. These elements collectively inform the choices that a stakeholder makes and, in turn, shape the composition of the network. The sites studied represent best practices, and the suggestions provided may be useful for managers of small cultural sites who wish to initiate a management process and are applicable to very different sites. The experiences of the four cases suggest considerations that refer to a larger number of small cultural sites. In the Italian situation, the Hermitage situation is the most common. The formation of a cooperative that occupies the role of a leader in the management of cultural sites is recommended if there is strong motivation and if the management arises with a strong agreement with the owner entity, especially public. It is necessary to network and create pathways with other sites in order not to remain isolated. Bagni di Petriolo underscores the intricacy of the network, emphasising the necessity of incorporating an impartial stakeholder with facilitative capabilities to assume a coordinating role based on the decisions of other stakeholders. While few cases exhibit such intricacy, it is crucial to recognise that the third sector stakeholder in this context must embody a superpartes perspective and potentially transcend territorial boundaries. In the event of territorial involvement, the Lead model can be readily adopted, as evidenced by the Hermitage example. The Catacombs case study offers insights into the capacity to attract the area through job creation, while concurrently necessitating the differentiation of the target audience to address the influx during high season. The PACF case study underscores the importance of maintaining stakeholder motivation, emphasising that when engaging with a private entity, the potential benefits of investing in a service should not be overlooked.

It can therefore be stated that, although unintentionally, the sites under examination have adopted the models presented to them without being aware of the rules and implications associated with them. The objective of the study is to disseminate the models in order to enhance the performance of the case studies and enable other cultural site managers to identify with these models by capitalising on their strengths and addressing their weaknesses (e.g. trust in the lead, necessity for third sector entities in the Network Administrative etc.). It is imperative to note that small cultural sites, which often emulate effective practices by adapting them to their unique circumstances, are particularly in need of awareness.

A notable limitation of this research is its restriction to the Italian context, making it challenging to extrapolate its findings to other regions or comparable scenarios. Future research endeavours should focus on the evaluation of performance to enhance our understanding of the efficacy of governance systems. This paper's shortcoming is due to an experimental phase of the management system in two of the four sites analysed.

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SELLERS' PERSPECTIVES ON CROSS-BORDER ACQUISITIONS: A CASE STUDY OF A SMALL 3D PRINTING SERVICE PROVIDER

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Abstract

Purpose. *This research aims to investigate the decision-making processes of sellers in cross-border, 'opportunity-driven' acquisitions of small high-tech firms. Specifically, it examines the factors that influence executive-level interest in ownership transfer, the criteria used to evaluate and respond to investor proposals, and the perceived benefits of such acquisitions.*

Design/methodology/approach. *Given the exploratory nature of the research, a qualitative single-case study methodology was adopted. The study focuses on the acquisition of an Italian small firm specializing in 3D printing services by a Swedish group operating in the same sector.*

Findings. *The research sheds light on the motivations that drive the management of a small high-tech enterprise to accept an acquisition offer from a foreign firm. It also highlights the key factors influencing the acceptance or rejection of investor proposals and outlines the perceived advantages of the acquisition for the acquired firm.*

Practical and social implications. *The study presents valuable practical and social implications by enhancing understanding of the seller's decision-making process in cross-border acquisitions. The findings contribute to knowledge on how such transactions can support the economic development of small high-tech firms.*

Originality of the study. *The originality of this research lies in its focus on cross-border acquisitions involving high-tech SMEs from the seller's perspective. To the best of our knowledge, this is one of the first studies to examine this phenomenon.*

1. Introduction

International acquisitions have received increasing attention in international economic and managerial literature due to their growing global significance and the substantial implications they hold for companies (Liu et al., 2024; Wiedemann et al., 2024). Cross-border acquisitions, in particular, can lead to profound changes, not only in the strategies, internal processes, and development trajectories of the firms involved but also in the economic dynamics of the regions where these firms are based (Barbaresco et al., 2018). An acquisition is considered international (or cross-border) when the acquiring firm (i.e. the buyer) and the target firm (i.e. the seller) are headquartered in different countries.

In recent decades, the intensification of economic globalization has coincided with an increase in the number of international acquisitions undertaken by firms across diverse geographic and industrial contexts (UNCTAD, 2021). This trend has prompted scholars to treat cross-border acquisitions as a distinct area of study, separate from domestic acquisitions (Shimizu et al., 2004; Wiedemann et al., 2024; Jain et al., 2025).

This distinction is warranted by the unique managerial complexities inherent in cross-border acquisitions, which arise from the geographic, institutional, and cultural distances between the home countries of the buyer and the seller (Reynolds & Teerikangas, 2016; Ghemawat, 2001; Galdino et al., 2022). Despite the pervasiveness of this phenomenon, research on cross-border acquisitions remains relatively limited compared to studies focusing on domestic acquisitions (Eulerich et al., 2022).

In the existing literature on cross-border acquisitions, two primary limitations can be identified. The first pertains to the size of the firms studied. Most studies have focused on acquisitions undertaken by large multinational companies. This focus contrasts sharply with the significant role small firms play in the economies of many countries, as well as their increasing involvement in cross-border acquisitions (Ziljia et al., 2023). In 2020, for example, 47% of global foreign direct investments were made by SMEs (UNCTAD, 2021). Additionally, a study by Deloitte recorded a 62.5% increase in the number of implemented cross-border acquisitions of Swiss SMEs between the first half of 2021 and the first half of 2020 (Zilja et al., 2023). The second limitation concerns the analytical perspective commonly adopted by scholars in this field of research. Most studies have focused on the decision-making processes of the acquiring firms, considering cross-border acquisitions a form of direct foreign investment that serves as an alternative to greenfield investment. This perspective emphasizes the strategic objectives of buyers, such as entering geographically or culturally distant markets and accessing strategic resources to enhance their competitive advantage (Georgopoulos & Preusse, 2009; Boateng et al., 2017).

The decision-making processes and strategic evaluations of the seller in cross-border acquisitions remain underexplored. Only in recent years have studies begun to examine the effects of such acquisitions on the performance of sellers (Barbaresco et al., 2018; Campagnolo & Vincenti, 2022). This emerging body of research contributes to an ongoing debate: on one side are those who view acquisitions of domestic firms by foreign companies as a potential source of economic decline in the target's home market, citing risks such as downsizing or closure; on the other side are those who see international acquisitions as opportunities to strengthen both the seller and the economic environment in which it operates. However, much of the existing research has primarily focused on the post-acquisition performance of target firms, largely overlooking the decision-making processes and strategic evaluations undertaken by the seller prior to the acquisition (Graebner & Eisenhardt, 2004).

Examining cross-border acquisitions among SMEs from the seller's point of view emerges as a particularly pertinent research topic. This is especially relevant in economies like Italy, where SMEs, including those associated with 'Made in Italy' industries, have garnered increasing interest from foreign investors. Recent estimates (EY, 2024) indicate that, over the last decade, acquisitions of Italian target firms by foreign entities accounted for 60% of cross-border acquisitions involving Italian firms, while only 40% of such acquisitions involved Italian firms acquiring foreign targets.

Analysing the seller's decision-making processes can provide valuable insights into the conditions under which the owner (or the shareholders) of a small business perceives the transfer of control to a foreign company as beneficial for the firm's further development.

Such situations may arise when the acquisition enables the seller to access new foreign markets, strengthen its presence in existing markets, enhance its bargaining power with suppliers and clients, or gain access to new competencies through the resources and support of the foreign buyer (Resciniti et al., 2015, 49). Moreover, the transfer of the firm's ownership to a foreign company could even avoid the closure of the firm in cases where generational succession is not viable and no domestic buyer is available (Lassini, 2005, 56).

This study attempts to address the identified research gaps by analysing the decision-making processes of a small Italian firm, specialized in 3D plastic printing services, recently acquired by a Swedish group composed of small firms operating in the same industry. The selection of the 3D printing sector reflects *the importance of gaining a deeper understanding of cross-border acquisitions in high-tech industries.* Notably, Kohli and Mann (2012) found that cross-border acquisitions tend to create greater value than domestic acquisitions when both firms operate in high-technology industries. Case studies, such as this one, can be particularly useful for understanding the sources of greater value in this kind of acquisition. In particular, the specific aim of this paper is to increase our understanding of the seller's decision-making processes in 'opportunity-driven' cross-border acquisitions among small firms in high-tech industries. It focuses on the factors that may prompt management to consider acquisition by a foreign company, the criteria employed to evaluate and decide on investor proposals, and the perceived benefits associated with such acquisitions.

The paper is structured as follows: Section 2 outlines the theoretical background, Section 3 addresses the methodological framework, Section 4 presents the findings from the case study analysis, and Section 5 provides discussion and concluding reflections.

2. Theoretical background

2.1 Cross-border acquisitions and SMEs

Despite the growing role of SMEs in cross-border acquisitions, most of the literature has mainly focused on the decisions of large multinational companies, and there is still little research carried out on SMEs (Zilja et al., 2023).

The study by Sestu et al. (2023) analysed, for example, 770 entries into foreign markets (made between 2005 and 2015) and noted a preference of SMEs (compared to larger companies) for joint ventures, rather than for 100% control of the foreign firms. The study by Aureli and Demartini (2015), on the other hand, examined the role of stakeholders in the international acquisition processes of SMEs. Through the analysis of a case study, they demonstrated that the implementation of cross-border acquisitions is not always the result of autonomous decisions made by the firm's owner but is also influenced by external stakeholders, particularly local communities, which often perceive foreign investors as a threat to the local environment.

In contrast, Aghasi et al. (2023) focused on the factors that influence the retention of the CEO of the acquired firm within the organization formed after the acquisition of small high-tech companies by large publicly traded corporations. This study, based on a sample of 447 acquisitions conducted between 2001 and 2014, revealed that the retention of CEOs in the acquired firm results from a balance between the incentives provided by the acquiring firms to keep the acquired CEOs within the new organization and the opportunity costs faced by CEOs in remaining with the acquired company. Both factors tend to be higher as the cultural distance between the buyer and seller increases and are also influenced by the personal characteristics of the CEO and the specific context in which the firm operates.

Through an analysis of census data on cross-border acquisitions carried out by Norwegian SMEs between 2000 and 2013, Zilja et al. (2023) showed that the wealth of CEOs in SMEs reduces financial constraints on the firm's international growth and increases its propensity for risk-taking. This, in turn, has a positive effect on the number of cross-border acquisitions undertaken by a firm and the number of countries involved in the acquisition processes. Additionally, CEO wealth influences the likelihood of acquisitions being directed towards target firms in countries with high political risk.

The merit of the cited studies lies in their emphasis on the need to consider the specificities of SMEs – such as financial resource constraints, risk propensity, and skillsets – in research on cross-border acquisitions. However, these studies remain limited by analysing the phenomenon of international acquisitions only from the buyer's point of view. As highlighted in the introduction, this paper aims to address this gap by examining a cross-border acquisition case involving two small firms operating in a technology-intensive sector, located in two countries on the same continent but geographically and culturally distant from each other.

2.2 The role of the seller in the literature on international acquisitions: a neglected actor

Despite the variety of theoretical perspectives adopted in the literature on acquisitions, researchers have predominantly focused on the acquiring firm as the key decision-maker, evaluating the success of the acquisition only from the perspective of this actor (Graebner & Eisenhardt, 2004; Kochura et al., 2022).

From the perspective of the buyer, the acquisition is a mode of external growth that enables the buyer to pursue a wide range of strategic growth paths, such as entering a new industry, accessing one or more foreign markets, consolidating its position within an industry, or gaining access to new technologies that are relevant for the future development of an industry (Bower, 2001).

The selling firm has often been implicitly recognized as having limited discretion in the acquisition process. Furthermore, being acquired by another firm has frequently been considered a sign of weakness for the target firm (Graebner & Eisenhardt, 2004).

Research has thus primarily focused on the buyer's objectives, with particular attention to the criteria sought in the target firm, the strategies employed to negotiate the deal, and the processes used to complete the acquisition (Kochura et al., 2022). However, there are situations in which the seller's decisions play a pivotal role in the selection of the acquirer (Mulherin & Boone, 2000). Proponents of the signalling theory, for instance, emphasized that the seller can be highly active in the acquisition process, taking a leadership role in screening potential buyers and even promoting the deal (Wu & Reuer, 2021).

Some scholars have thus highlighted the need to deepen our understanding of the acquisition phenomenon by shifting the focus to the decision-making processes of the seller (Kochura et al., 2022).

One of the most comprehensive analyses adopting this perspective is Graebner and Eisenhardt's (2004) study, which examined 12 acquisitions carried out by innovative firms in Silicon Valley. The authors highlighted that, in the context under study, acquisitions resemble a form of 'courtship', where both the buyer and the seller play active roles. In this scenario, the decision to sell is based not only on the sale price but also on strategic considerations grounded in a medium- to long-term vision for the firm's development. In particular, the decision to sell a business occurs when the management of the seller is 'pushed' towards the acquisition by a strong interest in being acquired and '*pulled*' towards the acquisition by the presence of a buyer considered suitable (Graebner & Eisenhardt, 2004, 366). According to the study, the interest in being acquired arises when the firm is facing a '*strategic obstacle*' in its development cycle, coupled with a strong personal motivation (on the part of the head or senior management) to divest the business. The term 'strategic obstacle' refers to an event in the firm's lifecycle (such as a sudden increase in sales, the replacement of the CEO, or access to new financing) that prompts the top management to reassess the situation and consider divestiture as a viable response to the event.

With regard to motivation, the risk of potential replacement, for example, may lead managers to oppose the decision to sell the firm. However, in several cases, Graebner and Eisenhardt (2004) observed a direct interest from the founder and the management in being acquired. This interest was driven by factors such as fear of failure, the desire to reduce stress caused by excessive working hours, or the difficulty of balancing work with personal life (Graebner & Eisenhardt, 2004, 36). For an acquisition to take place, the desire to be acquired must be accompanied by an offer deemed attractive by the seller. The study found that when evaluating buyer proposals, the management of firms considers not only the sale price but also the 'combinational potential', which stems from the similarity or complementarity between the activities of the two firms, and the 'organizational rapport'. Organizational rapport is influenced by factors such as shared values, compatibility in managerial styles, perceptions of the buyer's ethical conduct, and assurance that the buyer will address the needs of employees after the acquisition.

2.3 The heterogeneity of firms in cross-border acquisitions and the focus of the study

Acquisitions at both the national and international levels can be undertaken by different types of firms, each driven by specific motivations and occurring at various stages of the firm's life cycle.

For instance, private equity funds tend to focus on firms with modest profitability profiles but strong growth potential. These firms are supported financially and managerially, with the goal of later selling them once their market value exceeds the purchase price (Giannini et al., 2022, 70).

In contrast, corporate groups often target already high-performing firms, aiming to further improve these businesses through industrial development projects (Barbaresco et al., 2018, 97). This heterogeneity is also evident from the seller's side. The seller may be a private equity fund, an industrial group, or a single firm that may or may not have a family-owned structure. However, *the implications of this heterogeneity for acquisition research, particularly in the context of cross-border acquisitions, remain underexplored and warrant further investigation.*

Kochura et al. (2022) pointed out, for instance, a lack of studies on acquisitions conducted by industrial groups from the seller's perspective. In such cases, divestment results from a strategic corporate-level decision that identifies the business areas in which it is advantageous to invest and those from which it is best to disinvest (Lassini, 2005). However, in our view, *the research field on small-sized firms' decisions evaluating the perspective of being acquired by a foreign firm also appears to be neglected*.

Moreover, Kochura et al. (2022) underlined the usefulness of considering the results of studies conducted on the firm's disinvestment decisions to increase our understanding of the seller's role in international acquisition. These studies highlighted that a firm's decision to *'be acquired'* can vary significantly in terms of urgency (Lassini, 2005). In certain circumstances, the sale of the firm may constitute an 'obligatory' decision within the developmental path of a firm (and is therefore more urgent), while in others, it may not be as critical and is thus undertaken by the entrepreneur (or by owners of small firms) only when a favourable opportunity arises.

In family businesses, which make up the vast majority of SMEs in major economies, the sale is an inevitable step when, for example, the entrepreneur (due to various reasons such as health issues, advanced age, or a lack of interest in the business activity) is no longer able to continue running the company and, at the same time, there are no conditions for a generational transfer[1].In these circumstances, it is reasonable to expect a reduced autonomy of the firm in deciding the *'whether'*, *'when'*, and *'by whom'* it should be acquired. A similar sense of urgency occurs when a firm is facing a crisis that can only be overcome with the help of an external partner who can bring in new capital and management skills (Giannini et al., 2022, 69).

[1] As highlighted by Lassini (2005), entrepreneurial succession is hindered not only when a business owner has no heirs but also when heirs are present but unwilling to continue the family business or when their personal qualities are not well-suited to effectively and efficiently managing the business.

On the other hand, the situation is quite different for a firm that remains dynamic in terms of technology and the market, which, at a certain point in its life cycle, considers the possibility of being acquired by another firm *to secure greater growth opportunities.* In this case, the decision does not constitute a compulsory option but rather reflects a deliberate and well-considered choice.

As the firm can continue operating independently, it will have complete autonomy in deciding 'whether', 'when', and 'by whom' it will be acquired, and it will decide to be acquired only when it receives an advantageous offer, capable of providing the firm with new growth opportunities and strengthening its ability to cope with changes in the competitive context (Lassini, 2005). In this case, the sale is not 'necessity-driven' but 'opportunity-driven'.

The focus of this study is on the second category of sale, with the aim of understanding the factors that may trigger an interest in the management of the firm in transferring ownership to a foreign firm, the criteria for accepting or rejecting investment proposals, and the potential advantages perceived from the sale.

The seller's strategic considerations are particularly relevant in 'opportunity-driven' acquisitions, where the management of the firm has full autonomy in deciding 'whether', when', and 'by whom' to be acquired. This decision to sell the firm is important because it inevitably affects the 'future development opportunities of the business' and, on a theoretical level, it should be evaluated through a 'not easy' comparison between the growth prospects the firm would have by accepting the acquisition proposal and those it would have by continuing to operate independently.

In summary, this study focuses on opportunity-driven acquisitions in small firms where the entrepreneur, typically both sole owner and CEO, chooses to transfer ownership—often to a foreign buyer—to access the resources and capabilities needed for business growth.

3. Methodology

3.1 Objective of the study and case selection

Given the exploratory nature of the study, the single-case study was considered a suitable research approach to examine the decision-making processes of sellers in 'opportunity-driven' cross-border acquisitions among small high-tech firms.

This study focuses on the factors that may trigger an interest of the management of the firm in the possibility of being acquired, the criteria for rejecting and/or accepting offers from potential foreign investors, and the perceived benefits of the transaction.

The single-case approach allows the researcher to provide a more detailed and comprehensive description of the phenomenon under study. This approach is also appropriate when examining a phenomenon that is still underexplored and characterized by limited empirical evidence, such as the one addressed in this study (Eisenhardt, 1989; Yin, 1994). A single-case study is a flexible method that allows for the development of theoretical insights and new knowledge through the observation of specific contexts. However, for this knowledge to be generalized, it must be tested in broader contexts (Siggelkow, 2007).

Since the study also aimed to explore cross-border acquisitions among SMEs in a sector where technology played a significant role, a firm from the Marche region of Italy, specializing in 3D printing services, was selected. This firm was acquired in 2021 by a Swedish company operating in the same industry.

The selected case was considered appropriate, particularly considering the geographical and cultural distance between the buyer's and seller's countries.

Another unique aspect of the study is its focus on the acquisition between small firms from two economically advanced and technology-driven countries. According to data from the European Innovation Scoreboard, Sweden is, in fact, the most innovative country in the European Union.

3.2 Data collection

The authors of this research began engaging with the firm under analysis in 2017 as part of a research project focused on Industry 4.0 and Additive Manufacturing. In particular, the firm's evolution has been observed over the past seven years, thanks to various collaborations with ALFA[2], primarily centred around coaching master's theses. This collaboration enabled the research team to gain a deeper understanding of the complexity of the sector and the characteristics of the technologies used by ALFA.

However, much of the primary data used to analyse the case was collected through six in-depth interviews conducted both before and after the acquisition. Specifically, two semi-structured interviews, each lasting an hour and a half, were conducted on-site in 2018: the first with the founder of ALFA, and the second with the CEO of the firm, to understand the company's history, the nature of the 3D printing technologies, the adopted business model, and the key inter-company relationships relevant to the business.

[2] Disguised name.

Two additional one-hour interviews were conducted in 2022 (i.e. immediately after the acquisition) with the CEO of ALFA remotely to gain insights into the process that led to the acquisition, the company's development plans, including those abroad, the offers received from potential international buyers, and the process that led to the identification of the foreign part.

In 2024, two additional remote interviews were conducted to explore the implications of the acquisition two years after its implementation. The first was conducted with the CEO of ALFA, while the second was with the firm's Marketing and Communications Manager.

Each interview, which lasted approximately one hour, was recorded, and the content was transcribed, codified individually by each author, and discussed among the researchers to enhance the rigour in the interpretation of the data. Moreover, to triangulate the data, in addition to the interviews, secondary data on the characteristics of the industry and the firm were collected from various sources, such as the specialist press, business newspapers, and the websites of the firm.

4. Case study analysis

4.1 Introducing ALFA's evolution and business focus

ALFA was founded in 2003 with the aim of providing rapid prototyping services to companies across various industrial sectors using 3D printing technologies. It is a small family-driven company employing 30 people, with a sales turnover of roughly 5M Euro in 2024. 3D printing represents a relevant technology not only for rapid prototyping or rapid tooling but also for *producing small series of components and products*[3]. A key strategic objective for ALFA over the next years would then be to further increase its activity in the production of small quantities of components, which currently accounts for over 50% of its revenues. ALFA's involvement in the 3D printing business stems from the founder's specific interest in advancing traditional product development processes. The idea was to work especially on the additive manufacturing of plastic polymers rather than metal powders. The potential market size of plastic polymers was considered larger and more promising in terms of business results. In the first phase of its development, ALFA acted *as an intermediary* between 3D printing ser-

[3] Rapid prototyping is crucial *for developing new products*, as it allows for verifying whether the aesthetic features of 3D CAD models align with the client's expectations and for assessing the functionality and proper assembly of the parts designed using CAD.

vice providers and customers seeking rapid prototyping services to accelerate the launch of their new products[4].

Initially, the firm had a very simple organizational structure, consisting of a technical department and commercial support, but it did not allocate significant resources to the activity of marketing and sales.

A few years after its establishment, ALFA's CEO developed a strong interest in the application of 3D printing technologies in the industrial sector.

As emphasized by the CEO, *'In subcontracting activities, the company faced few difficulties, as the people who approached us were already familiar with our work and managed customer relationships. As a result, we didn't need to take major actions, making the supply process simpler'.*

With the development of its own 3D printing applications, ALFA's original production facility became inadequate. As a result, production was relocated in 2015 to a larger facility where new 3D printing machines based on SLS technology were introduced and additional qualified personnel were hired[5]. However, the firm struggled to expand further into a highly innovative market niche that remained largely unknown to potential clients.

In 2016, a new commercial role was introduced within the firm, charged with taking a more proactive approach to clients and developing a more active market presence, to move away from the 'subcontracting model' and fostering the firm's commercial growth. To 'emerge from anonymity' and gain greater visibility among customers, the company strengthened a series of activities, such as participation in industry events and trade fairs. As the CEO stated, *'Through proactive efforts, we had to work hard on getting ourselves known, because, although many of the clients we approached were indirectly our clients, and therefore familiar with our products and services, they did not know us'.*

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[4] Larger prototyping centres typically outsource certain activities to other service companies *when the demands of their clients exceed the production capacity of their internal processes, or when the commissioned activities require technologies not available in-house.* Furthermore, when the prototyping work involves complex products made up of numerous components (such as an automobile or a household appliance), to reduce transactional burdens, commissioning firms prefer to entrust all prototyping tasks to a single specialized operator. This operator should be able to provide the client with a comprehensive prototyping service, thanks to the ability to rely on contributions from other centres acting as subcontractors for prototyping services, such as ALFA (Bellagamba et al., 2019).

[5] *SLS, or Selective Laser Sintering*, is a 3D printing technology that uses thermoplastic polymer powder and a laser beam to build an object layer by layer. A layer of powder is spread across the build platform and selectively fused by the laser beam at specific points, causing the powder to solidify. The laser-fused particles solidify, while the remaining powder supports the overhanging parts of the object. This process is repeated until the object is fully constructed.

In 2018, a salesperson joined the company to expand ALFA's presence in the European market by identifying geographical areas where the firm's offerings could be competitive in terms of both price and service[6].

Since 2020, ALFA has increased its visibility among key domestic customers. The company has also achieved greater diversification in its customer base through the development of additional services.

Although ALFA historically served industries such as mechanical, lighting, and automotive, it has also approached the biomedical sector since 2020. In this latter industry, ALFA reached an important milestone by developing the first 3D implantable bronchus in Europe.

4.2 Challenges in ALFA's growth trajectory

Some years after the development of the company, ALFA's management was not entirely satisfied with the economic results achieved. The CEO found it difficult to continue operating and growing in the high-tech 3D printing sector characterized by rapid machinery obsolescence and a high level of investment in machinery and tools. Also, ALFA's lack of robust financial capability resulted in a burden. The CEO's 'vision' revealed a clear intention to enhance the business results by exploring several options. Initially, the company's CEO was keen on developing new business relationships with key and strategic partners to let ALFA grow in a rather complex scenario. However, due to its limited size and marketing capabilities, one option was to look for potential buyers of the company's assets through *a learning process driven by interactions with several potential investors who expressed interest in the firm.*

This strong growth orientation was further supported by *the CEO's longer-term career prospects within the firm.* The CEO realized that, while retaining ownership would allow for certain development scenarios, these would be limited, especially given *the financial constraints affecting the company's growth.* ALFA was founded as a family business, and personal guarantees allowed investments to be made, but only within certain limits.

However, the idea of being acquired was not the first option considered. As previously pointed out, *the management of the firm aimed to find a partner who could strengthen the company financially.* In this context, ALFA decided to participate in a crowdfunding campaign in 2019 organized by a local platform specializing in capital acquisition for SMEs and innovative startups.

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[6] The French and German markets were the first to be targeted, with the firm using trade fairs as a tool to present its offerings to potential clients in both markets. The decision to focus on France was driven by its geographical proximity and the relatively low competition, while the choice of Germany was motivated by the industrial significance of its economy, despite the higher level of competition.

The underlying goal was to attract minority shareholders who could add value through their expertise. However, participation in the platform did not yield the expected results. *ALFA was unable to find, among the potential investors, a company with an industrial vision to align with.*

A significant issue primarily arose from the investors' expectations. Most of them viewed the investment from a purely speculative standpoint, focusing almost exclusively on short-term financial performance. Additionally, potential investors had limited knowledge of the 3D printing sector. The management of ALFA considered these expectations to be misaligned with the underlying dynamics shaping the 3D printing industry. In fact, this sector was still much smaller than the plastic moulding industry and has been considered a 'niche market', despite its promising growth prospects.

As a result, ALFA decided to leave its crowdfunding initiatives. However, crowdfunding somehow contributed to increasing ALFA's visibility in the context of high technologies. Between 2020 and 2021, ALFA received several acquisition proposals, both from industrial groups and private equity funds.

The experience gained from participating in the crowdfunding initiative led the CEO to exclude offers from investors with whom there was no potential for synergies, both technically and commercially. The management of the firm considered it essential to avoid bringing in a partner expecting disruptive development and, therefore, a rapid and immediate return on investment. Once the CEO pointed out, '*establishing the new technology would take time, and the return on investment would not necessarily be quick*'.

The difficulty of formulating reliable and achievable goals was perceived as a potential source of critical issues in the long run with reference to private equity funds. Since 3D printing technologies were primarily used for prototyping, forecasting sales and planning were difficult to manage.

Initially, the management considered it appropriate to develop a partnership with a financial firm. However, the challenges that emerged from discussions with investors led to a strategic shift, *moving towards a partner profile that was more industrial in nature, with the necessary expertise and infrastructure to enable the company to enter specific markets.*

The idea of transferring ownership also became clear *in response to ongoing changes in the sector.* Several 3D printing service providers were acquired by other companies, particularly by suppliers of 3D printing technologies and materials. As a result, early signs of structural changes in the industry began to emerge, and the management of ALFA decided that the good occasion had arrived *to seek a form of agreement with other companies, which would allow the firm to strengthen itself, also from the point of view of the corporate dimension, to face the new competitive landscape that was starting to materialize.*

4.3 Developing a relationship with the buyer BETA

ALFA received over time several purchasing proposals from industrial groups, which were considered inadequate for several reasons. For instance, in one case, the buyer made an offer that was rejected by ALFA as the buyer operated in a niche market that did not fit well with ALFA's overall market strategy. Rather, ALFA's growth has been based on diversifying its customer base across different industrial sectors.

Another factor that influenced ALFA's decision to not accept purchasing proposals related to the buyer's lack of experience within the 3D printing industry. In this situation, ALFA would have become the sole entity responsible for driving the innovation process without the support of the buyer. Nevertheless, suddenly in 2020, one suitable proposal arrived from a Swedish manufacturer (company BETA) of polymer components. BETA was seeking a partner to expand its presence in Southern Europe and identified ALFA as a potential target in the Italian market. BETA was suggested to explore Italy by one of its major suppliers of 3D printing machinery and materials (the German company GAMMA). Interestingly, GAMMA – a leading company in the development and manufacturing of complex 3D printers, – supplied ALFA. The role of GAMMA in connecting ALFA with BETA was clearly a key one.

ALFA initiated a negotiation process by carefully analysing the proposal, in order to understand the strategic vision and business model of BETA. As highlighted by the CEO of ALFA, *'This proposal represented the best possible scenario for us, as BETA would embody the 'perfect' fit with our organization: BETA is both a financial partner and a well-established manufacturer of innovative products, with a deep understanding of 3D printing industry's dynamics'*.

The type of activities carried out by the group was among the first aspects identified as significant. BETA[7] is a multinational that includes a number of small and specialized companies dealing with diverse businesses such as injection moulding, 3D printing, and vacuum casting. Moreover, as pointed out by ALFA's CEO, *'BETA is made up of individuals who perform the same work as we do, with whom open communication is possible, fostering both professional and technical growth'*. This indicates a strong alignment between the two companies, particularly in terms of the technologies employed, the technical challenges addressed, the shared mindset, and the strategic vision.

[7] BETA was born in Sweden almost 100 years ago and among the first European companies developing a laboratory for creating polymer prototypes. One of the big challenge of BETA lies in the use of 3D printing for large-scale productions.

BETA's long-term goals were closely tied to its commitment to industrializing and developing viable alternatives to *injection moulding,* which aligned seamlessly with ALFA's vision.

ALFA also positively evaluated the BETA approach of selecting firms with high-level competencies and strong profitability in each foreign market where it aimed to expand its presence.

4.4 Dealing with the acquisition process from ALFA's viewpoint: some initial effects

The assessment of BETA's acquisition proposal took nearly a year for ALFA's management. In addition to conducting a straightforward analysis of BETA's assets, which relied on a set of documents and reports, ALFA initiated direct interactions with BETA's management to gain insights into its managerial practices. For instance, ALFA realized that BETA had significant experience in executing business acquisitions across Europe. Furthermore, ALFA's CEO visited BETA's facilities and engaged with both middle and senior managers to collect detailed information about BETA's sales, marketing, and HR processes. During this process, it became evident that BETA granted a high degree of autonomy to its affiliated companies and refrained from imposing substantial changes to staff and organizational practices[8]. This approach was viewed favourably by ALFA's CEO, as it aligned with ALFA's own management philosophy.

However, the acquisition would affect ALFA's CEO responsibilities and slightly change part of the tasks. This change was somehow perceived as positive: *'Being the manager of a family-owned company has its dynamics, but being one within a multinational presents different and much more challenging dynamics'*.

To sum up, the proposal from BETA was perceived as a 'unique opportunity for ALFA'. Formally, the deal between ALFA and BETA was finalized in 2021, when ALFA officially became a new entity owned 100% by BETA. Between 2022 and 2023, ALFA revenues increased by 44% more than before 2020. Moreover, the marketing and communications manager of ALFA stated, *'In my opinion, this acquisition has created strong stability in our venture. The trust that customers put in us has also increased'.*

[8] The topic of subsidiary autonomy within multinational enterprises has been extensively studied, beginning with the seminal work of Birkinshaw & Morrison (1995). In our study, BETA has pursued its international development through a strategic approach focused on maintaining the top management and organizational structures of newly acquired subsidiaries while granting them a substantial degree of autonomy. In particular, BETA's management recognizes that the subsidiaries of the firm operate in country-specific markets characterized by distinct features and practices. Accordingly, BETA's management grants them significant autonomy to operate effectively in markets with which they are more familiar and where they have established a leading position.

The acquisition enabled ALFA to better increase its international presence in new European markets. ALFA benefits from BETA's large network of small and medium customers. Furthermore, multiple companies within the group can collaborate on joint commercial actions to serve multinational firms at the local level, particularly those with production facilities spread across multiple countries.

The study revealed that the acquisition had various effects on ALFA's management processes, which were perceived positively by the management. These effects are attributed to the company's integration into a group characterized by strong specialization, significant technical know-how in additive manufacturing, substantial financial capacity, and a presence with production facilities distributed across multiple foreign markets.

The interviews revealed various key aspects, positively evaluated by the firm's management, which can be summarized as follows:

a) *Investment opportunities.* The companies within the group have the ability to finance themselves internally, as the holding company has an investment fund that finances all operations that are budgeted annually. Previously, each decision (such as investing in machinery or hiring new employees) was made with very short-term planning (i.e. day by day), and every idea was evaluated based on the available financial resources at that time. However, in an industry where technology plays a critical role (such as 3D printing), companies need to make significant and ongoing investments. Therefore, the firm management viewed the entry into the group as an opportunity to 'grow when needed, rather than, when possible', based on a strategy planned over longer horizons and with a broader perspective.

b) *Purchasing conditions and availability of raw materials*. The acquisition resulted in an increase in bargaining power with suppliers. As emphasized by the CEO, '*the group has contributed to negotiations with suppliers to secure materials and services at more competitive prices'*. Now, all materials are purchased to meet the needs not only of ALFA but of *all the companies within the group, allowing for important economies of scale in procurement.* The benefit, however, extends beyond purchasing conditions to include the availability of raw materials. As stated by the CEO, *'Being part of the group has protected us, as the agreements with suppliers, much stronger now, are based on larger quantities, which ensures the availability of raw materials'*[9].

c) *Portfolio of technologies and materials offered to clients.* Integration into the group has allowed ALFA to expand this portfolio. Today, if a client requests a technology not available within the firm, ALFA can rely on the services and technical expertise of other firms within the group. Each firm

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[9] Immediately following the acquisition, for instance, one of ALFA's suppliers failed to deliver raw materials within the expected timeframe, resulting in a production halt. The group promptly intervened by dispatching a stock of raw materials from Sweden, enabling ALFA to resume regular production.

can act as a supplier to other firms within the group. Moreover, during technical-commercial discussions with clients regarding technology selection, each company can consult with the most competent technicians across the entire group to address the client's specific needs. As emphasized by the Marketing and Communications Manager of ALFA, *'It is now essential for salespeople from the individual companies within the Beta group to be able to explain and sell not only their own company's technology, but also the technologies of other companies within the group'.*

d) *Customer evaluation of the firm's offer.* Corporate management has observed a positive effect on the evaluation attributed to the firm by some clients in the Italian market. According to the CEO of ALFA, integration into the Swedish group has benefited the company in 'securing certain high-profile clients who evaluate suppliers from every possible perspective'. She added, *'When you are part of a larger organization, it provides a guarantee of supply stability and service quality. More structured clients also require certifications and evaluate you from various angles. Being part of a group is viewed positively'.* Today, additional assurance for the clients of the group's firms (including ALFA's clients) arises from the fact that *BETA has become one of the key partners within GAMMA's end-to-end production network*[10]. This helps improve the firm's reputation in the eyes of its customers.

e) *Knowledge sharing among the managers of the different functional areas across firms.* For each functional area (administration, marketing, procurement, technical department), dedicated teams have been established, consisting of managers from the same functional area in each company. These teams meet periodically to exchange information, coordinate activities, and address specific issues within their respective managerial domains. For instance, if a company decides to implement new materials, it can request a technical representative from another company to visit its facility and assist the internal staff with the application of the material.

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[10] GAMMA is one of the leading suppliers of machinery and materials in the additive manufacturing industry, with major companies (such as Boeing, Volkswagen, and Sauber) turning to this longstanding and reliable supplier *to assess the feasibility of producing certain components via 3D printing*. If a GAMMA's client (after evaluating component samples) deems additive manufacturing to be a viable production method, they may either *purchase the machinery to produce the component in-house* or, more frequently, inquire with GAMMA about where the component can be printed. To meet these needs, in 2022, GAMMA established a network of validated 3D printing centres located in various geographic regions, capable of adhering to stringent production standards. The BETA group was the first partner to join this *"end-to-end production network"* established by GAMMA.

5. Discussion and conclusions

This study contributes to the ongoing academic debate on cross-border acquisitions by emphasizing the importance of examining not only the motivations and decision-making processes of buyers but also those of sellers.

The case analysis revealed that, in 'opportunity-driven' acquisitions, the seller – despite being a small firm – plays an active and strategic role in the acquisition process. Rather than being passive, the seller retains full autonomy in determining 'whether', 'when', and 'by whom' to be acquired. In such scenarios, the decision to sell can be understood a*s a strategic move for development*, particularly when it is motivated by the desire to grow the firm by partnering with a buyer who can *provide access to new opportunities and alleviate the constraints typically associated with small firm size.*

In this case, the decision to sell was strongly influenced by the top management's personal motivation to expand the company, the recognition that achieving this growth required finding a suitable partner, and the broader transformations occurring within the 3D printing sector. However, the decision to sell was not immediate but rather a gradual process, reflecting the challenges of identifying an appropriate partner. What most distinguished the seller's behaviour was *the attention and thoroughness with which the company's leadership evaluated the proposals of potential investors.*

Several investors approached the company with acquisition proposals; however, despite their suitability in terms of financial contributions, they were ultimately rejected. The primary reasons for this included their *over-specialization in niche sectors and insufficient knowledge of the 3D printing industry*. In contrast, the Swedish group's proposal was accepted due to several key factors: the strong alignment of their production activities with those of ALFA, their strategic vision, and their well-established approach of preserving the management structure of acquired companies while granting them significant autonomy.

Positive outcomes observed two years after the acquisition, in terms of revenue and profitability, appear to be closely linked to several benefits identified by ALFA's management. These advantages include access to new investment opportunities, improved purchasing conditions for raw materials, a broader range of technologies available to customers, and the potential for enhancing management practices through continuous knowledge-sharing among managers across the group's various functional areas.

The study also enabled the identification of several implications stemming from the international nature of the acquiring firm, which merits a brief consideration.

Assuming that cultural and geographic distances are the two main factors distinguishing international acquisitions from domestic ones, in the case under examination the international nature of the acquisition appears to be more closely related to geographic distance than to cultural distance. With respect to the latter, the CEO of ALFA initially perceived the cultural gap to be relatively pronounced. However, through direct interaction with managers from both the acquiring firm and other subsidiaries within the corporate group, she came to recognise that, while Northern Europe displays a certain degree of cultural heterogeneity, these differences did not hinder effective collaboration during either the pre- or post-acquisition phases. As she observed: '*We were able to work very well with the managers of the Swedish company and the other subsidiaries, despite the cultural differences*'. A comparable sentiment was echoed by ALFA's marketing and communications manager, who remarked: *'I feel very close to my Swedish colleagues. I do not feel different from or separate to them'*, and further noted that *'the cultural differences mainly concern more trivial aspects, such as working hours […]. These are simply different lifestyles'*.

By contrast, in the case under consideration, the geographical distance between the companies, combined with their distinct technologies and areas of expertise despite operating in the same industry, effectively reduces competition within the group. This separation *fosters an atmosphere of trust and cooperation, facilitating the exchange of best practices among the firms*. If the buyer had been a domestic firm operating in the same sector, the risk of potential competition between the activities of the two companies would have been real. Instead, this risk is reduced—or even entirely absent—when the firms are not only small in size but also operate in geographically distant markets and such conditions also tend to foster a climate of trust and collaboration between the parties[11].

A further consideration concerns the implications of the cross-border dimension of the acquiring company for the seller's internationalization policies. Interview data indicate that the cross-border nature of the acquisition positively influenced ALFA's export performance. The acquiring multinational group operates subsidiaries across several Northern European countries, and these subsidiaries not only market their own technological offerings but also promote those developed by affiliated companies within the group. This intra-group synergy facilitated ALFA's entry into new foreign markets. It is plausible that a domestic acquisition—by an Italian buy-

[11] These dynamics are clearly reflected in the interviewees' statements. The marketing and communications manager of ALFA stated, for example: *'Competition ends when geographical areas are involved. It is clear that we are responsible for the Italian market. If there were Italian clients previously served by one of our sister companies within the group, following the acquisition, those clients located in Italy are assigned to the Italian branch—just as we do with the UK and other countries […]. So, there is no competition. It doesn't make sense. The geographical boundaries are clearly defined'*. She also emphasized that this lack of internal competition fosters a collaborative environment among the companies, thereby facilitating the exchange of information and best practices.

er—would not have generated comparable internationalization benefits, given the absence of such a transnational organizational infrastructure.

The results of the study provide several useful managerial implications, which can be summarized as follows: a) for a cross-border, opportunity-driven acquisition to effectively drive business development, it is essential that the management of the seller possesses a strong personal motivation and interest in expanding the company; b) prior to accepting an offer from a potential investor, the seller should have a clear and well-defined understanding of the characteristics of the ideal investor; c) the evaluation of proposals should not consider only the offered price but also other critical factors, such as the potential synergies between the companies' activities and the alignment of the investor's vision, resources, and capabilities with the seller's vision and development objectives.

This study is subject to the typical limitations of a single-case study, which allows for an in-depth understanding of a phenomenon in a specific context. Consequently, the findings are valid primarily within this context. To generalize these results, it is necessary to replicate the research in other settings. There is thus considerable potential for future research on international acquisitions from the seller's perspective. The behaviour of this actor is still relatively underexplored, and therefore it would be beneficial for future research efforts to focus on this direction (Graebner & Eisenhardt, 2010). Further research is needed, for example, to explore the seller's decision-making in contexts similar to those considered in this study, specifically, *the opportunity-driven cross-border acquisition of small high-tech companies*. The motivations and decision-making processes of the seller may vary depending on several factors, including company size, industry characteristics, ownership structure (e.g. family-owned businesses), the nature of the acquisition (opportunity-driven versus necessity-driven), and the specific characteristics of the home countries of both the buyer and the seller. *All of these factors remain underexplored in the current literature*.

It would also be valuable to investigate the spread of 'opportunity-driven' acquisitions across different industrial sectors and to assess whether the growth trajectory, such as that experienced in the case of ALFA, occurs as the size of the selling firm increases—from small to medium enterprises—and as ownership becomes more diversified.

Another promising avenue for future research could involve examining the relationship between the seller's pre-acquisition behaviour and post-acquisition performance. This would allow for an assessment of how decision-making patterns regarding 'whether', 'when', and 'by whom' to be acquired might influence post-acquisition performance from the seller's perspective.

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INVESTIGATING THE RELATIONSHIP BETWEEN SOCIAL ENTERPRISE SUSTAINABILITY DIMENSIONS AND COLLABORATIVE SOCIAL PROGRAM MANAGEMENT SOURCES

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Abstract

Purpose. *This paper investigates the multifaceted aspects of sustainability considered by social enterprises in selecting resources for social program management. It delves into the interplay among the three pillars of sustainability, social, economic, and environmental, and their influence on the adoption of collaborative social enterprise program management resources in Pakistan.*

Design/Methodology/Approach. *In this study, a survey questionnaire approach was used. A total of 300 responses were received from the respondents working in Pakistan's social enterprises. Data were gathered from project and program managers active in Pakistani social enterprises. Purposive and convenient sampling techniques were employed. The data was analyzed through partial least square structural equation modeling (PLS-SEM) using the PLS 3.3 software.*

Findings. *The study suggests that enterprises placing a higher emphasis on sustainability are more inclined to engage in green innovations. A notable correlation exists between the high valuation of economic and institutional sustainability and the propensity of investors to embrace green innovations.*

Practical and Social Implications. *This research highlights the emerging niche of integrating sustainability principles with project and program management practices, underscoring the significant hurdles faced by managers in implementing these principles. Moreover, it reveals that collaborative social program management resources considerably impact the sustainability dimensions within social enterprises.*

Originality of the Study. *This research makes a distinctive contribution by exploring the nature and impact of a novel program management resource, a collaborative social program management resource, and its association with sustainability.*

1. Introduction

Social enterprises (SE) have been key players in promoting sustainable and equitable development for many years. Further, this function has been highlighted in the context of industrialized nations' local development processes, where SEs has been functioning as beneficial social innovation incubators, particularly in times of economic crises. However, their capacity to have a social influence on the region and within the community is at the core of this mission (Tomei et al., 2024). In addition, the field of social enterprise research has grown dramatically over the last 20 years, with a particular emphasis on the establishment and expansion of these enterprise-based organizations, moreover, SE has seen significant expansion (Pless, 2012; Terjesen et al., 2012; Slitine et al., 2024).

To solve societal issues and promote sustainable development, social entrepreneurs have been instrumental. Furthermore, following worldwide patterns, commercial organizations, decision-makers, and academics are becoming more interested in and involved with SEs in developing nations was a realistic and promising solution to a variety of intricate and pervasive societal development issues (Gupta & Srivastava, 2021).

Although, numerous academicians and scholars have been inspired to delve into the vast and emerging topic of social entrepreneurship by its evolution. In one such study, more than 307 papers and works of literature on social entrepreneurship were gathered and examined. A cluster map resulting in 140 distinct definitions of a social enterprise was constructed (Alegre et al., 2017). However, according to social enterprise alliance, an organization employing a market-based method to address a social or environmental issue qualifies as a SE (Social Enterprise Alliance, 2018). Besides, Abu-Saifan (2012, 25) proposed the following definition in a study. "A social entrepreneur is a mission-driven person who, through an entrepreneurial oriented entity that is financially independent, self-sufficient, or sustainable, uses a set of entrepreneurial behaviors to deliver social value to the less privileged." However, SEs varies in their dedication to social and economic goals, resulting in a spectrum of outcomes, and it strives to balance the creation of social value with financial sustainability (Battilana et al., 2015; Stevens et al., 2015; Dacin et al., 2010). In addition, social entrepreneurship refers to the process of integrating resources in an innovative way to explore and utilize entrepreneurial opportunities, realize social value, promote social change, and meet social needs (Yan et al., 2022).

Studies that establish a connection between social entrepreneurship and sustainability are becoming more popular in the nascent field of academic research on social entrepreneurship because of how crucial these concepts are (Kamaludin et al., 2021). Sustainability is defined as the shared responsibility to optimize current resources and ensure a viable future for all and a normative result that sustainable development need to achieve (Gimenez et al., 2012; Kleindorfer et al., 2005; Redman & Charles, 2014). As the globe faces more and more pressing environmental, social, and economic concerns, businesses are realizing that in order to secure long-term success, they must incorporate sustainability concepts into their strategies and operations. (Adams & Nicholas, 2007; Eccles & Krzus, 2010; Lozano, 2015). In addition, the potential for financial and reputational gains, stakeholder expectations, and regulatory obligations are some of the drivers driving the adoption of sustainability indicators (Hahn & Kühnen, 2013; Van Marrewijk, 2003). Besides, sustainability is characterized as a process aiming to foster a community that prioritizes natural resource conservation and promotes democracy (Gladwin et al., 1995).

Beyond being merely a tool, sustainability represents a strategic means for businesses to contribute to the stewardship of human and natural resources, enhancing the overall health of society and the economy (Mitchell et al., 2007). Given the complexity of contemporary environmental and social issues, organizations are compelled to adopt innovative strategies and practices (Pope et al., 2004; Wilkins, 2003). In light of a growing global population, climate change, pollution, and natural resource depletion, sustainability has become a foundational aim for modern enterprises (Boons et al., 2013). Organizations that support the triple bottom line (TBL), encompassing environmental, social, and economic aspects, operate sustainably (Dao et al., 2011; Elkington, 1998). This study aims to forge a strategy that blends the diverse facets of sustainability within the framework of project management. By adopting this approach, the goal is to unearth the components that bolster sustainability efforts (Carvalho & Rabechini Junior, 2011). The convergence of sustainable development with project management principles has sparked interest from both practitioners and scholars. Furthermore, it is posited that the application of project management principles can spearhead the creation of viable and enduring solutions to a broad spectrum of challenges (Silvius et al., 2013).

Despite the priority for SEs to serve the community effectively, their financial sustainability remains a concern. Numerous studies have examined the impact of mission drift on SEs, yet further research is necessary to devise efficient management strategies for this challenge (Battilana et al., 2015; Grimes, 2010; Smith et al., 2013; Staessens et al., 2019). However, the factors impacting the sustainability of SE remain relatively understudied; earlier studies focused on the role of dynamic capabilities and innovation in enhancing the sustainability of SE (Desiana et al., 2022). Besides, a study has also been conducted on how SE gradually transforms itself to better deliver on sustainable development and the mobilization of local citizens (Tomei et al., 2024). However, the influence of collaborative social resources on social enterprise is rarely explored in the developing country context, like Pakistan, which is a gap that this study addressed. Therefore, the main goal of this study is to investigate how collaborative social program management resources affect the social, economic, and environmental sustainability aspects of social enterprises in Pakistan. Fundamentally, the purpose of this study is to provide a thorough response to the following important question: Do collaborative social program management resources influence the environmental, social, and economic sustainability elements of social businesses in Pakistan?

The study presents a new way of looking at how to use outside networks and resources to improve the sustainability performance of social businesses by emphasizing the value of cooperative social program management resources. This methodology not only broadens the current body of knowledge about sustainable project management, but it also offers useful perspectives for social businesses that aim to improve their sustainability outcomes. Furthermore, the study extends the discourse on sustainability in emerging economies by concentrating on the Pakistani context and providing pertinent implications for scholars, practitioners, and policymakers who are interested in the sustainability transformations of social businesses.

This introduction is followed by a thorough literature analysis in Section 2, which establishes the foundation for the study's theoretical framework and hypotheses. In-depth information about the methodology used for data collection and analysis is provided in Section 3 of the study. Section 4 presents the results, which offer empirical insights into how collaborative social program management resources affect the sustainability features of SE. In Section 5, these discoveries are discussed together with their practical consequences. The study's conclusions are presented in Section 6, which also summarizes the major findings and their implications for the field. In closing, Section 7 discusses the shortcomings of the present research and suggests avenues for further investigation, laying the groundwork for continued investigation in this important field of the study.

2. Empirical Literature Review

2.1 Collaborative Social Program Management Resource

The capacity to integrate both formal and informal social program management resources is a crucial element of a collaborative social program. It enables organizations to collect and interpret information from external sources, which can enhance their existing team and organizational resources (Tansley & Newell, 2007). According to Björk et al. (2011), networking activities significantly contribute to project success. Furthermore, Burns (2003) highlights that obtaining information from the external environment allows organizations to acquire new knowledge and secure a competitive advantage.

The collaborative social program management (PM) resource has been recognized as a novel capability essential for the success of nonprofit organizations within their sector. Unlike private entities, nonprofit missions face fewer restrictions in resource allocation (Reed et al., 2006). Moreover, case studies indicate the existence of two distinct types of collaborative social Program Management resources: formal and informal. These resources enable non-government organizations to orchestrate programs that serve community interests (Nanthagopan et al., 2016).

Given the competitive forces at play, organizations that depend solely on internal operations find themselves at a disadvantage (Liu & Liu, 2008). The ability to effectively leverage external knowledge is therefore pivotal for their continued viability (Grant, 1996; Liu & Liu, 2008). Through formal avenues, such as project advisories, nongovernmental organizations (NGOs) can reap benefits from the management of collaborative projects. Likewise, the capacity to extract insights from a range of informal external interactions is often cited as an informal collaboration social resource (Nanthagopan et al., 2016). Engaging with various individuals and organizations allows an entity to deepen its understanding of diverse work facets. This resource further facilitates the promotion of project marketing and development efforts (Nanthagopan et al., 2016).

2.2 Sustainability Dimensions

The concept of sustainability was first formulated in 1987 by the UN's World Commission on the Environment and Development. It describes a process that enables society to satisfy the needs of the present generation without compromising the ability of future generations to meet their own needs (Cassen, 1987). Sustainability is a comprehensive concept that encompasses environmental, social, and economic aspects. The notion of the Triple Bottom Line (TBL) is anchored in these dimensions (Dao et al., 2011; Elkington, 1998). Recognized as the triple bottom line, the environmental, economic, and social factors are essential for enduring sustainability (Choi & Ng, 2011; Vos, 2007).

The environmental dimension of the TBL emphasizes the sustainable use of natural resources and the promotion of renewable trends. Achieving this goal involves strategies to reduce the consumption of non-renewable resources and greenhouse gas emissions (Glavič & Lukman, 2007; Ruggieri et al., 2016). Innovations in technology and services aim to mitigate adverse environmental impacts, incorporating ecological processes and technologies such as waste management and recycling (Delai & Takahashi, 2011; Galdeano-Gómez et al., 2013; Pretty et al., 2011). For operations to become more sustainable and resource-efficient, businesses are encouraged to adopt green technology and innovation (Galdeano-Gómez et al., 2013; Khan et al., 2016).

The TBL's social dimension is dedicated to fostering and maintaining the human and social capital of the communities in which it operates (Dyllick & Hockerts, 2002). This aspect of sustainability involves improving quality of life, social integration, and ensuring equal access to education (Kiel et al., 2017; Littig & Grießler, 2005). It underscores the importance of the well-being of individuals and communities, often described as the social dimension of management (Choi & Ng, 2011; Delai & Takahashi, 2011; Khan et al., 2016). Social sustainability addresses various operational dimensions of an organization, including its impact on the environment, human capital, and job creation (Galdeano-Gómez et al., 2013; Khan et al., 2016). It also encompasses the organization's societal impact through social impact reports and corporate social responsibility initiatives (Elkington, 1998; Wood, 1991). This concept arises from common social challenges faced by organizations in socially driven projects (Barone et al., 2000; Dhaoui, 2014; Handelman & Arnold, 1999), influencing factors such as employee motivation (Drumwright, 1994) and the effectiveness of sustainability marketing efforts (Berens et al., 2005; Ellen et al., 2006). Through their actions, companies contribute to a more sustainable society and foster a shared sense of purpose among community members (Kim, 2018).

The economic dimension of the TBL pertains to an organization's strategy and operations, focusing on enhancing the supply chain to create value and manage costs (Bansal, 2005). Economic sustainability involves managing the financial and environmental impacts of organizational activities (Svensson & Wagner, 2015; Wagner & Svensson, 2014). This domain, linked to a company's financial performance and its external engagements (Sheth et al., 2011), is a prominent area of research. The current economic challenges heighten concerns about long-term viability and financial security among individuals and organizations (Choi & Ng, 2011). Sustainable development considers a holistic approach to environmental, social, and economic factors, necessitating integrated support and coordination to achieve these objectives (Bansal, 2005; Evans et al., 2017; Norman & MacDonald, 2004). Despite the potential benefits of sustainability, organizations continue to grapple with the complexities of the TBL (Carrillo-Hermosilla et al., 2010; Kiel et al., 2017).

2.3 Sustainability in Project Management

Recognizing the multifaceted social, environmental, and economic consequences of initiating and maintaining infrastructure projects has become crucial. The absence of a unified framework for the assessment and evaluation of sustainability in projects is seen as an obstacle to effective analysis (Cole, 2005; Deakin et al., 2002; Thomson et al., 2011). Researchers emphasize the importance of evaluating a project's environmental impact as essential for fostering a sustainable and stakeholder-responsive environment (Pope et al., 2004; Wilkins, 2003). Such evaluations are necessary to ensure transparency and guide all decision-makers involved in the project. These assessments should be performed openly and transparently (El-haram et al., 2007; Mathur et al., 2008; Thomson et al., 2011).

Despite the availability of key concepts and methodologies, the application and quantification of sustainability principles pose significant challenges (El-haram et al., 2007; Singh et al., 2012; Thomson et al., 2011). For instance, the focus of greening tools must shift from merely achieving goals to realizing final objectives and outcomes (Gladwin et al., 1995). The unresolved technical and conceptual issues surrounding the implementation and measurement of sustainability principles highlight the need for continued development and adoption of sustainable practices and models (El-haram et al., 2007; Singh et al., 2012; Thomson et al., 2011). Moreover, the creation and evaluation of sustainable indicators are vital for achieving the objectives outlined in the Sustainable Development Agenda (Hardi et al., 1997).

The field of sustainable development, despite its extensive body of research, still requires further investigation. This necessity stems from the complexities involved in measuring and managing the impacts on the environment (Singh et al., 2012; Welsch, 2005). Sanchez (2015) suggests a methodology that enables organizations to allocate resources more efficiently, aiming to meet their sustainability goals and objectives. Many companies have formulated strategies and mission statements that highlight the significance of sustainable development. Yet, integrating these social and environmental considerations into their programs and initiatives remains a formidable challenge (Sarkis et al., 2012).

2.4 Theoretical Framework and Hypotheses Development

This study's theoretical framework combines the Triple Bottom Line (TBL) framework with the Resource-Based View (RBV) framework to investigate how Collaborative Social Program Management Resources affect the sustainability aspects of Social Enterprises (SEs). Collaborative social program management resources are conceived of in this framework as strategic assets that have the potential to improve an organization's sustainability in terms of its social, economic, and environmental aspects. The TBL paradigm highlights the significance of striking a balance between economic performance and social equality as well as environmental protection, while the RBV contends that a firm's competitive edge is derived from the strategic management of rare and valuable resources. This integrated approach offers a fresh perspective on the contribution of cooperative resources to the attainment of sustainability goals, especially in the context of SEs that must simultaneously uphold their financial sustainability and carry out their social missions.

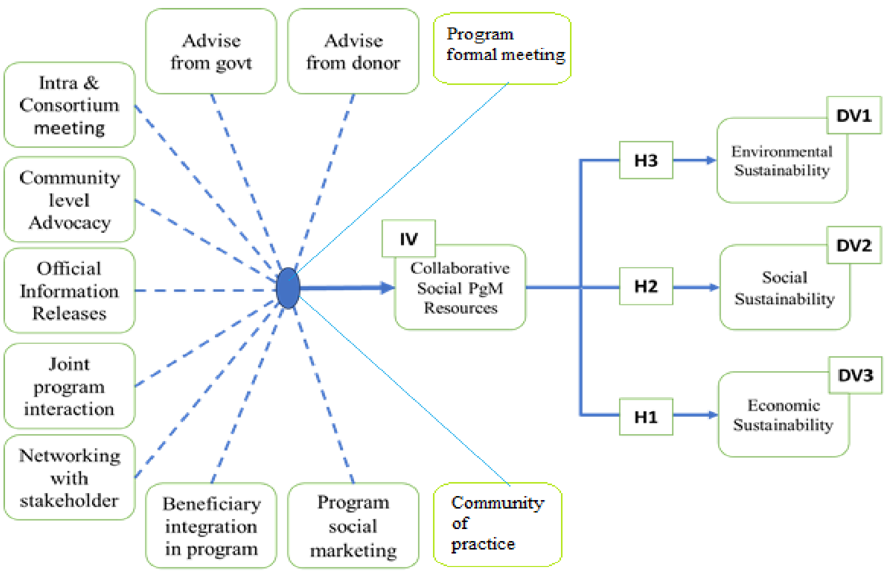
According to this study, the three fundamental hypotheses help determine the complex relationship between social program management resources and the sustainability dimensions within social enterprises, taking into account the extensive literature review conducted on the essential aspects of Collaborative Social Program Management Resources, Sustainability Dimensions, and their integration within Project Management. They are as follows:

H1: Social Program resources have a positive effect on the economic sustainability of SE.

H2: Social Program resources have a positive effect on the social sustainability of SE.

H3: Social Program resources have a positive effect on the environmental sustainability of SE.

Figure 1. *Theoretical Research Framework*



The purpose of formulating these hypotheses is to add to the body of knowledge on project management techniques and sustainable development by investigating the complex effects of collaborative social program management resources on the sustainability dimensions inside social businesses. This research aims to provide deeper understanding of how cooperative efforts and resources can be strategically exploited to improve the sustainability results of social businesses, especially in light of Pakistan's dynamic socio-economic landscape, through empirical validation.

3. Methods

3.1 Data Collection and Sampling

To methodically examine the influence of Collaborative Social Program Management Resources on the sustainability aspects of Social Enterprises (SEs) in Pakistan, this study used a quantitative research approach. The data was collected through an online survey questionnaire developed in Google docs and self-administered questionnaire. Through the use of a survey questionnaire, data collection from SEs included managers, coordinators, presidents, CEOs, monitoring and evaluation officers, program and project staff was accomplished. This ensured the acquisition of relevant and accurate information regarding their opinions and experiences. The duration of the data collection was during the year Feb 2020 to October 2020 in all regions in Pakistan. In order to maximize response rates and accommodate the preferences of all possible respondents, a dual-mode strategy was selected. To ensure a thorough grasp of the phenomenon under research, 900 people working in Pakistan's social business sector were given the questionnaires.

However, in this study a total of 300 SEs participated. The SE included in the study include categories such as education, healthcare, environmental conservation, poverty alleviation, livelihood, community development. These individuals represented a wide range of positions and responsibilities. For the identification of SEs the outreach and recruitment methods used to contact the SEs (e.g., industry associations, directories, referrals); however, a government registered directory is not available regarding SEs. According to a British Council report in 2016, there may already be as many as 448,000 social enterprises functioning in Pakistan. However, the researcher does not agree with this number due to the relatively small and unrepresentative sampling process. Despite this discrepancy, growth in the social enterprise sector in Pakistan is anticipated. With 300 valid answers obtained from the delivered surveys, the study had a response rate of about 33 percent. This sample size is considered enough for carrying out significant statistical analysis since it reflects the overall response trends seen in comparable studies conducted throughout the nation. As a result, they were a rich source of information about the sustainability effects of collaborative social program management resources.

Purposive and convenient non-probability sampling approaches were incorporated in the sample procedure. With this strategy, the researcher is allowed to make sure that the respondents had the necessary training and expertise to give meaningful answers. The unit of research analysis is Social enterprise in Pakistan, and has been established for over 5 years. The other criteria are that SE should be primarily based in Pakistan. Organization should be not for profit SE. The firm should be legally registered as a not for profit organisation and the primary goal is to carry out a social mission.

3.2 Measurement and Instrumentation

A structured questionnaire was used as the assessment tool to gather information about the management resources of collaborative social programs and how they affect the social, economic, and environmental sustainability of SEs. The questionnaire was split into two sections: scale-based questions about the study's constructs and demographic data. To guarantee the applicability and precision of the measures, the scales were taken from the body of existing literature and modified. For the scale-based questions, respondents were asked to indicate how much they agreed or disagreed with each statement using a five-point Likert scale that went from "1" (strongly disagree) to "5" (strongly agree). Before completing the questionnaire, potential respondents were offered screening questions to make sure they met the requirements. The following were the filter questions: 1. The organization has been in existence for over five years; 2. SE should be primarily based in Pakistan. 3. Organization should be not for profit SE. 4. The firm should be legally registered as a not-for-profit organization. 5 The primary goal is to carry out a social mission. The variables, their items, and the references used to create the scale for this study are displayed in Table 1. Additionally, Table 2 provides a detailed description of previous research on the social program management resources.

Table 1. Total measurements

S#	Concepts	Code	Variables	References	Total Items
1	*Collaborative*		*Social PgM Resource*	Jugdev and Mathur (2006), Nanthagopan, et al., (2016), and Pact (1996)	11
		SMR1	Coordination meeting with Govt bodies		
		SMR2	Advice from sponsors		
		SMR3	SE intra and consortium summits		
		SMR4	Programme official info dissemination		
		SMR5	PgM formal meeting		
		SMR6	Joint programme with partner Org.		
		SMR7	Networking with stakeholders		
		SMR8	Beneficiary incorporation in program		
		SMR9	Programme social marketing		
		SMR10	Community of practice		
		SMR11	Community-level advocacy		
2	*Sustainability*		***Social sustainability***	Tam, (2018), Silvius et al. (2013, 2016)	05
		SS_socialsus1	Local labour and decent work		
		SS_socialsus2	Health & Safety conditions		
		SS_socialsus3	Development of the community		
		SS_socialsus4	Diversity & equal opportunity		
		SS_socialsus5	Human rights		
			Economic sustainability		05
		ES_Ecosus1	Profitability for investors		
		ES_Ecosus2	Employment opportunity		
		ES_Ecosus3	Value for money		
		ES_Ecosus4	Donation/grants for Local SEs		
		ES_Ecosus5	Local area economic growth		
			Environmental sustainability		05
		EnS_Envsus1	Supplier Know-how and partnership		
		EnS_Envsus2	Energy consumption and or pollution in programme implementation processes.		
		EnS_Envsus3	Energy consumption as programme design parameter		
		EnS_Envsus4	Water & pollution consumption as programme design parameter		
		EnS_Envsus5	Waste management in program design		
			Total Instrument of the Questionnaire		

Source: *Researcher own*

Table 2*. Social resources used in previous researches*

Social Resources Indicators	Studies
Project Advise from Govt	Nanthagopan et al. (2016); Reilly (2013); Agg (2006); Coston (1998); Pact (1996); Salamon (1995); Lipsky and Smith (1990); OECD (1988); De Laat (1987); Thomas (1985)
Project Advisorr from Sponsors	Nanthagopan et al. (2016); Low et al. (2001); Pact (1996); Berg (1993); Gray (1997); Godfrey et al. (2002)
Intra and consortium summits	Nanthagopan et al. (2016)
Official Information Releases	Nanthagopan et al. (2016); Ron et al. (2005); Pact (1996)
Formal interactions	Nanthagopan et al. (2016); Steelcase Inc (2010); Shuya (2009); Rogers (1974)
Informal Interactions	Delone, 2009; Meyer (1997); Pact (1996); Nanthagopan, Williams, and Page (2016); Alter and Hage, (1993).
Linkage with Stakeholders	Nanthagopan et al. (2016); Dalaibuyan (2010); Jugdev and Mathur (2006); Madon (1999).
Beneficiary Incorporation	Nanthagopan et al. (2016); Pact (1996)
Project Marketing	Nanthagopan et al. (2016); Jackson and Smith (2014); Rothschild and Milofsky (2006); Pact (1996).
The community of Practice through Online Social Networks	Nanthagopan et al. (2016); Briones et al. (2011); Hird (2010); Waters (2009); Waters et al. (2009); Kent (2008); Eyrich et al. (2008); Jugdev and Mathur (2006); Christ (2005); Kent and Taylor (1998); Bortree and Seltzer (2009.
Community-level advocacy	Pact (1996)

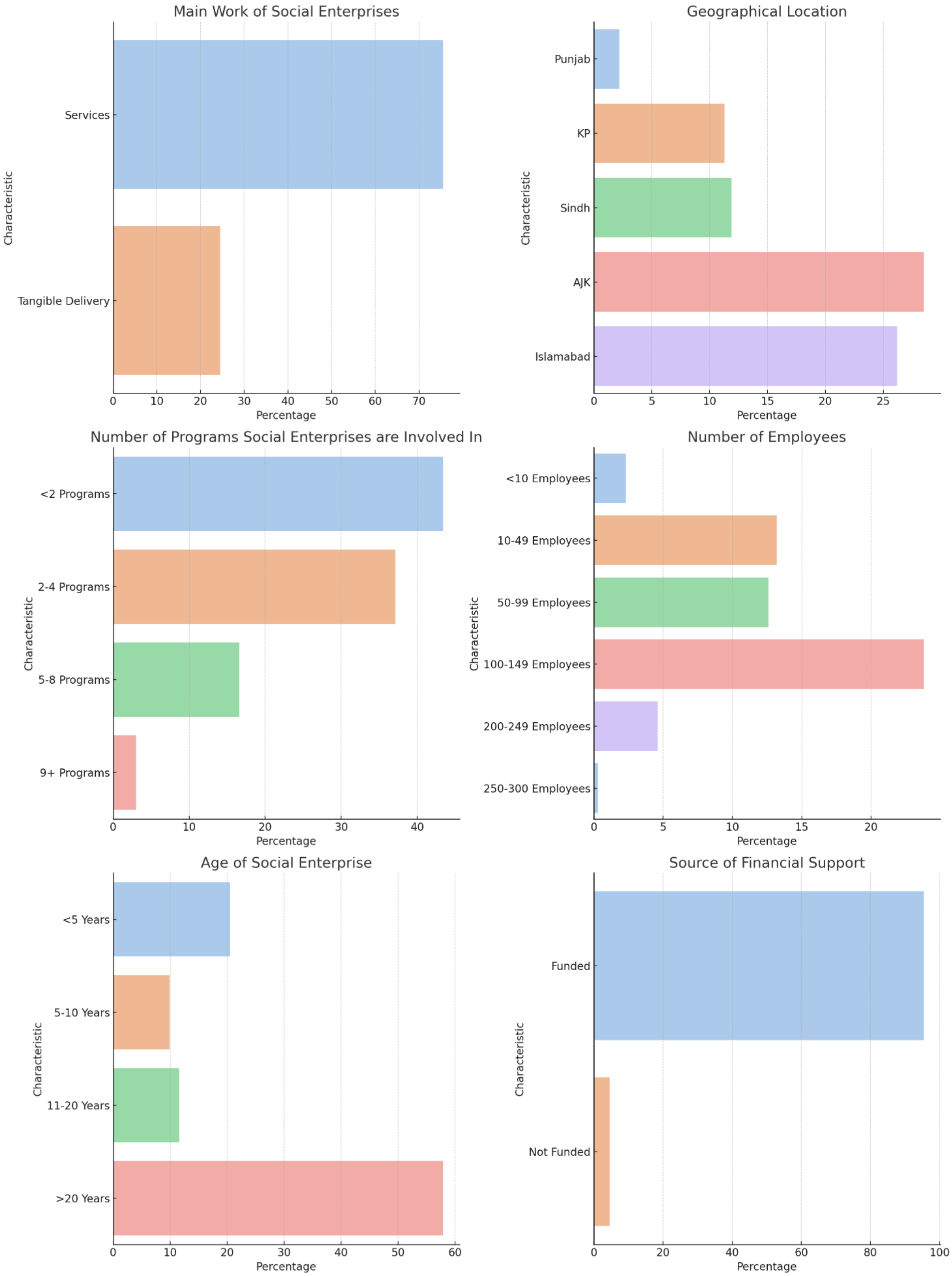
3.3. Demographics

A further look at the sample's demographics, as illustrated in Figure 2, indicates that the social entrepreneurs prioritize service delivery, with 75.5% of their workforce providing services and 24.5% delivering physical goods. The geographic representation was distributed over a number of regions, with the highest concentrations in AJK (28.5%) and Islamabad (26.2%) and the lowest concentrations in Punjab (2.2%), KP (11.3%), and Sindh (11.9%). This geographic diversity guarantees a thorough comprehension of the sustainability consequences in a variety of locations. With 43.4% of the firms administering less than two programs and a smaller percentage (3.0%) involved in nine or more programs, the enterprises also demonstrated a broad spectrum of programmatic engagement across the sector.

A significant proportion of the social firms surveyed (23.8%) had between 100 and 149 employees, notwithstanding the wide range of organizational sizes among them. This implies that the majority of the sector's businesses are mid-sized, but the entire range of employee counts, from less than 10 to 250–300, highlights the organizational diversity of the industry. The age distribution of these businesses further demonstrated their established presence in the industry; of them, 57.9% had been in operation for more than 20 years, while the remaining businesses had been in operation for less than five years to between 11 and 20 years, indicating a mix of recently founded and established businesses in the social enterprise space.

Gender diversity in the sector is indicated by the study's finding that the gender distribution within these businesses is primarily male (71.5%), with women making up 28.5% of the total. It is also clear that there is a wide range of age groups represented, with 45.0% of participants being between the ages of 25 and 34 and 34.4% being between the ages of 35 and 44, respectively. This indicates that a younger demographic is active in social businesses. In addition, there was a wide range of experience among the respondents; notably, a sizable portion (57.3%) had between 0 and 5 years of experience, suggesting a relatively new viewpoint in the industry. The majority of the people working in these social enterprises had higher education backgrounds; 49.7% of them had a Master's degree and 26.8% a Bachelor's degree, showcasing a well-educated workforce. Additionally, the positions that respondents hold within their organizations, from CEOs/Owners (2.6%), to Program Managers (19.5%) and a variety of other positions like Program Coordinators (23.8%) and Program Field Staff (17.5%), also demonstrate the range of leadership styles and areas of expertise that are present in the industry. The wide range of functions that social enterprises play highlights the intricacy of these businesses and the various strategies they use to fulfill their social missions.

One of the most important factors for these businesses was financial support; 95.4% of them had funding. In order to maintain the numerous projects and programs targeted at making a social impact, funding is essential. As a result, the sample distribution used in the study not only offers an overview of the situation of social enterprises in Pakistan today, but it also creates a solid basis for future research into the effects of cooperative social program management on sustainability. This study provides important insights into the dynamics of sustainable practices within the social enterprise sector by illuminating the diversity of enterprises contributing to the sustainability discourse, as evidenced by the differences in operation size, geographic location, program involvement, organizational age, and financial backing.


Main Work of Social Enterprises
Services
Tangible Delivery
Characteristic
Percentage
0
10
20
30
40
50
60
70
Geographical Location
Punjab
KP
Sindh
AJK
Islamabad
Characteristic
Percentage
0
5
10
15
20
25
Number of Programs Social Enterprises are Involved In
<2 Programs
2-4 Programs
5-8 Programs
9+ Programs
Characteristic
Percentage
0
10
20
30
40
Number of Employees
<10 Employees
10-49 Employees
50-99 Employees
100-149 Employees
200-249 Employees
250-300 Employees
Characteristic
Percentage
0
5
10
15
20
Age of Social Enterprise
<5 Years
5-10 Years
11-20 Years
>20 Years
Characteristic
Percentage
0
10
20
30
40
50
60
Source of Financial Support
Funded
Not Funded
Characteristic
Percentage
0
20
40
60
80
100

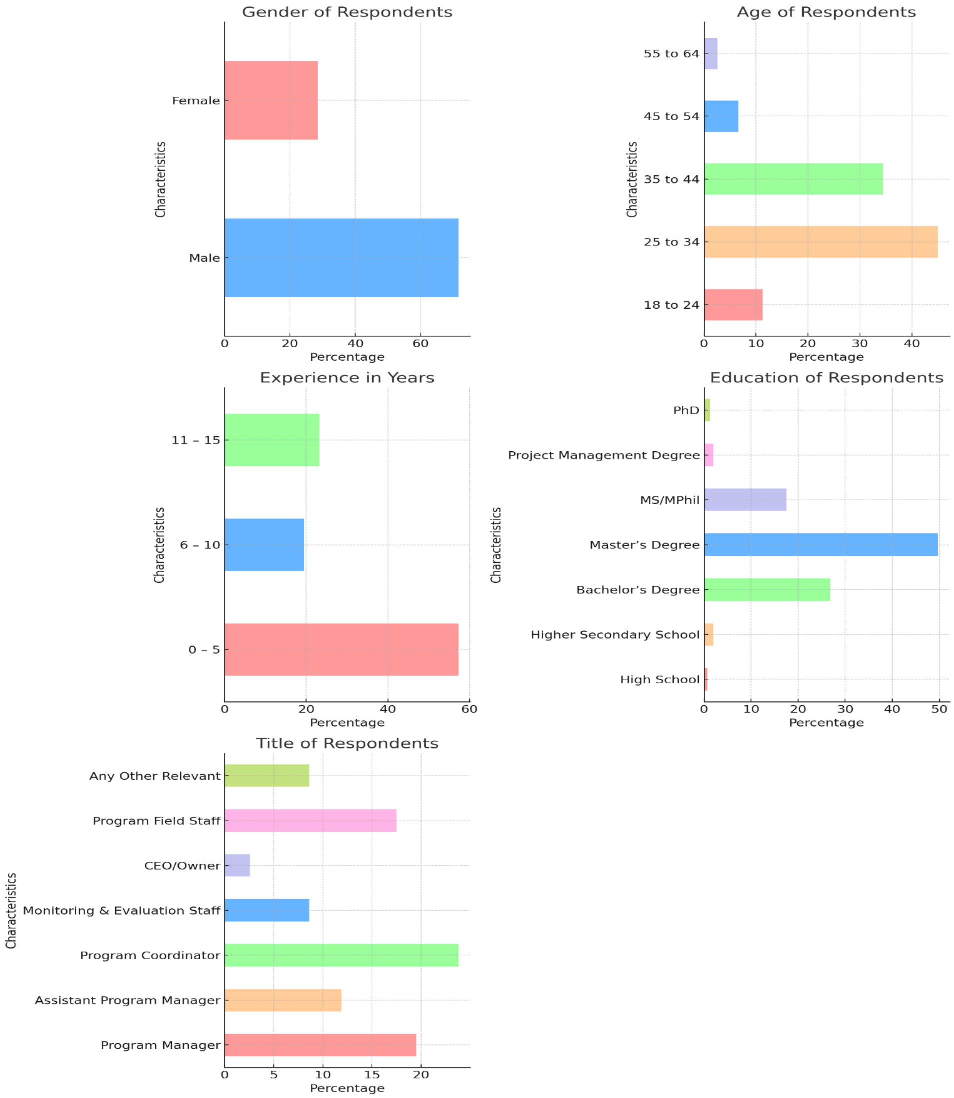


Figure 2. *Demographic Distribution of Social Enterprises in the Study*

3.4. Data Analysis Methods/Tests

The study employed Smart PLS Version 3.3 software for data analysis, enabling a thorough investigation of the correlations among the variables under investigation via confirmatory factor analysis and structural model evaluation. In order to confirm the validity and reliability of the constructs, the analysis concentrated on assessing the measurement model for convergent and discriminant validity. Furthermore, an analysis of the structural model was conducted to verify the conjectures regarding the connections between the sustainability aspects of SEs and the management resources for collaborative social programs. In order to ascertain the effectiveness of the collaborative resources in impacting the results of economic, social, and environmental sustainability within the setting of Pakistani social businesses, this required evaluating the predictive relevance (Q2) and the model fit (SRMR).

4. Results

4.1 Modeling of Structural Relationships (SEM)

Partial Least Squares Structural Equation Modeling (PLS-SEM) stands out as a pivotal method for deciphering complex models and the interrelations between underlying constructs, providing a robust framework for validating academic theories (Hair et al., 2017). Originating from the pioneering work of geneticist Sewall Wright in 1921, its capacity to uncover causal correlations among variables has revolutionized its application in quantitative research, making it particularly valuable for probing theoretical constructs within social and behavioral sciences (Worthington & Whittaker, 2006). The distinction between Variance-Based SEM (PLS-SEM) and Covariance-Based SEM (CB-SEM), the former being celebrated for its versatility in handling complex models and non-normally distributed data, underscores PLS-SEM's critical role in researching complex, multifaceted environments (Henseler et al., 2009).

In the context of this study, employing PLS-SEM offers significant benefits, chiefly due to its proficiency in analyzing the intricate relationships among various dimensions of sustainability. The method's adaptability is instrumental in managing the diversity and volume of data, ensuring the delivery of reliable insights without the prerequisite of extensive datasets. Moreover, PLS-SEM's predictive precision is essential for elucidating the nuanced connections within the theoretical framework, affirming the method's suitability despite potential criticisms. Its efficacy in accommodating non-normally distributed data further validates the choice of PLS-SEM, establishing it as an indispensable tool in navigating the unique challenges presented by the study's objectives.

4.1.1 Partial Least Squares Path Modeling (PLS-SEM)

Henseler et al. (2017) and Becker et al. (2023) describe Partial Least Squares Structural Equation Modeling (PLS-SEM) as a robust statistical approach that employs both an inner and an outer model to analyze data. The inner model, or structural model, leverages existing literature to establish the relationships between different variables, providing a theoretical framework for how these variables interact with each other. Conversely, the outer model, also known as the measurement model, is where the hypothesized relationships between observed variables and their underlying latent constructs are defined and tested.

Table3. *Measurement Model*

Construct	**Item Code**	**Load-ings**	**Outer weight**	**Cronbach Alpha**	**Rho**	**CR**	**AVE**
Collaborative social resources				0.969	0.982	0.973	0.781
	SMR1	0.862	0.097				
	SMR11	0.872	0.106				
	SMR2	0.889	0.086				
	SMR3	0.894	0.088				
	SMR4	0.900	0.138				
	SMR5	0.900	0.151				
	SMR6	0.891	0.133				
	SMR7	0.893	0.136				
	SMR8	0.896	0.101				
	SMR9	0.838	0.093				
Economic Sustainability				0.886	0.922	0.915	0.682
	ES_Ecosus1	0.742	0.125				
	ES_Ecosus2	0.866	0.333				
	ES_Ecosus3	0.862	0.250				
	ES_Ecosus4	0.831	0.261				
	ES_Ecosus5	0.823	0.227				
Environmental Sustainability				0.930	0.943	0.946	0.78
	EnS_Envsus1	0.877	0.224				
	EnS_ Envsus2	0.889	0.244				
	EnS_ Envsus4	0.861	0.160				
	EnS_ Envsus5	0.903	0.270				
	EnS_ Envsus3	0.884	0.230				
Social Sustainability				0.946	0.956	0.959	0.823
	SS_socialsus1	0.915	0.223				
	SS_socialsus2	0.907	0.260				
	SS_socialsus4	0.889	0.196				
	SS_socialsus5	0.914	0.235				
	SS_socilsus3	0.911	0.188				

Note: *SMR 10 has been removed due low loading*

This dual-model structure of PLS-SEM makes it an indispensable tool in empirical research, allowing for a thorough exploration and dissection of the intricate web of interactions among variables. By integrating these two models, PLS-SEM offers researchers a comprehensive method for investigating complex relationships, enhancing our understanding of the dynamics at play within various research domains.

I. Measurement Model (Outer Model)

In the measurement model assessed using Smart PLS Version 3.3, the confirmatory factor analysis focused on evaluating both convergent and discriminant validity, revealing significant insights into the model's reliability and construct validity. The first table showcases the Average Variance Extracted (AVE) ranging from 0.682 to 0.823 for each latent variable, surpassing the minimum acceptable threshold of 0.5, as suggested by Fornell and Larcker (1981). This indicates a strong level of convergent validity, demonstrating that each construct significantly reflects its associated indicators. Moreover, factor loadings and composite reliability all exceeded the benchmark of 0.7, while Cronbach's alpha and rho A values also surpassed this critical point, indicating a high level of internal consistency and reliability across the measurement constructs (Nunnally & Bernstein, 1994). Such results underscore the robustness of the constructs, confirming their adequacy in capturing the essence of the underlying phenomena being studied.

Table 3, therefore, plays a pivotal role in illustrating the strength and appropriateness of the measurement model. The data presented highlight not only the reliability of each construct within the study but also the rigorous methodological approach undertaken to ensure these constructs accurately measure what they are intended to. This meticulous evaluation forms the cornerstone of the study's empirical analysis, laying a solid foundation for the subsequent examination of the relationships between constructs within

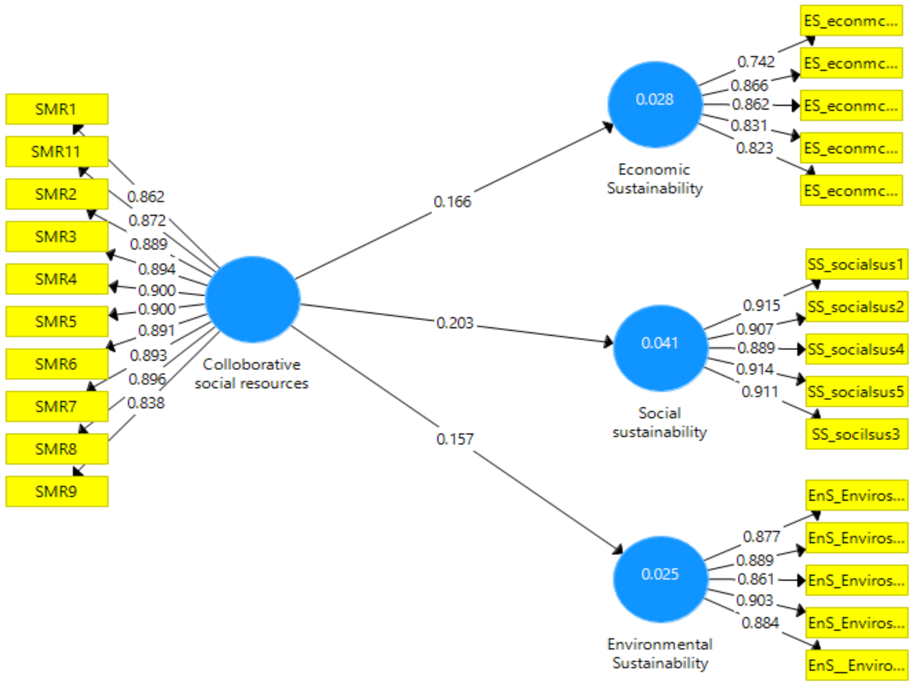


***Figure 3.** Measurement Model*

the broader structural model. The attention to detail in exceeding the established benchmarks for factor loadings, composite reliability, and validity measures provides a high level of confidence in the subsequent findings derived from this model. Whereas fig. 3 shows the factor loadings and path coefficient of the study.

i. Discriminant Validity

The discriminant validity assessment, Table 4 delineates the unobserved variable correlation and the square root of AVE for each construct, fulfilling the criteria for discriminant validity. This analysis demonstrates that each construct is sufficiently distinct from the others, as evidenced by the square root of the AVE being greater than the inter-construct correlations, aligning with the standards set by Chin (1998) and Fornell and Larcker (1981). This distinctiveness is crucial for affirming that each construct captures a unique aspect of the phenomenon under investigation without significant overlap with other constructs, ensuring the clarity and specificity of the constructs within the model.

Table 4. *Discriminant validity (Unobserved variable correlation Sq. root AVE)*

	C Social Res	*Eco Sus*	*Envir Sus*	*Social Sus*
C Social PgM Res	**0.884**			
Eco Sus	0.166	**0.826**		
Envir Sus	0.159	0.309	**0.883**	
Social Sus	0.203	0.091	0.031	0.907

Table 5, presenting the Heterotrait-Monotrait ratio (HTMT), further corroborates the discriminant validity of the model. The HTMT values do not exceed the recommended threshold of 0.85, reinforcing the distinctiveness of the constructs. This finding is vital for the model's validity, confirming that the relationships modelled are between truly distinct constructs rather than variations of a single construct. The successful validation of discriminant validity through both the second and third tables not only enhances the credibility of the measurement model but also reinforces the integrity of the study's overall structural analysis, ensuring that the complex relationships explored are based on accurately defined and distinct constructs.

Table 5. *HTMT (Heterotrait-Monotrait ratio)*

	C Social Res	*Eco Sus*	*Envir Sus*	*Social Sus*
C Social PgM Res				
Eco Sus	0.161			
Envir Sus	0.158	0.340		
Social Sus	0.200	0.101	0.065	

II. Structural Model

Table 6 and Figure 4 illustrate how the structural model of this study, which was examined using Partial Least Squares Structural Equation Modeling (PLS-SEM), includes a thorough validation of multicollinearity among independent variables, a crucial first step. By use the Variance Inflation Factor (VIF) statistics, it was verified that every VIF value was below the cutoff of 5, following the recommendations of Cassel et al. (1999) and Martínez-Navalón et al. (2019). This ensured that there were no problems with multicollinearity that could skew the analysis. In addition, the predictive power of the model was assessed; the R-squared values for social, environmental, and economic sustainability were found to be 0.41, 0.25, and 0.28, respectively. These figures support the findings of Henseler et al. (2009) by showing a strong influence of independent factors on dependent ones. According to Loureiro (2014), the predictive relevance demonstrated by Q2 results (0.312, 0.342, and 0.346) validates the model's effectiveness in forecasting results. Furthermore, a satisfactory match between the model and the observed data was indicated by the model fit index, or SRMR (Standardized Root Mean Square Residual), which was determined to be 0.073. This value is well within the acceptable range of less than 0.80 as recommended by Hu and Bentler (1999).

Table 6. *Values of R2, VIF, Q2, F2 and SRMR*

Construct	*R2*	*Adj. R2*	*VIF*	*Q2*	*f2*	*SRMR*
Eco Sus	0.28	0.24	2.22	0.312	0.28	
Envir Sus	0.25	0.22	2.89	0.342	0.25	0.073
Social Sus	0.41	0.38	3.23	0.346	0.43	

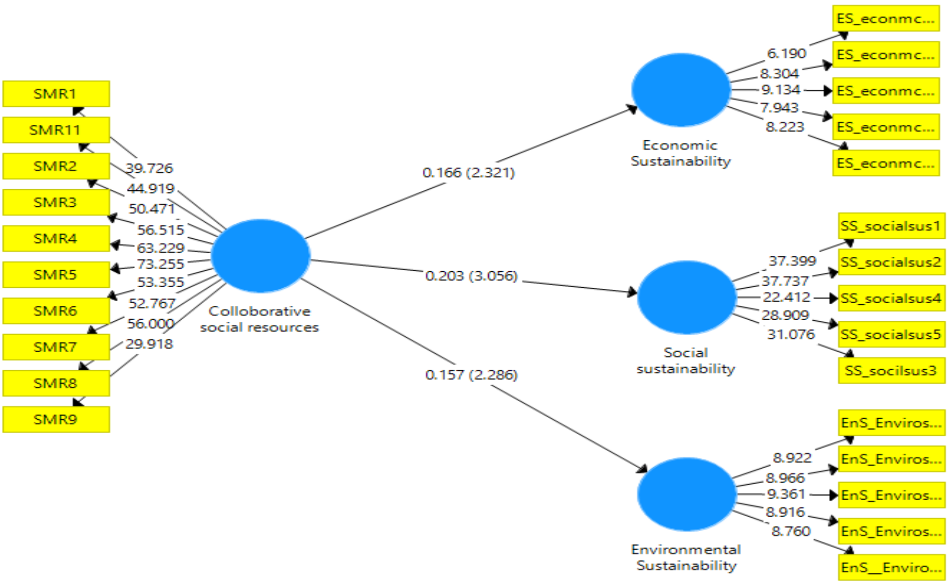


Fig. 4 *Structural Model (Path coefficient and T statistics)*

Table 7 presents the findings of the structural model, which further demonstrate the important impact of collaborative social program management resources on several sustainability parameters. With path coefficient values for social, economic, and environmental sustainability standing at 0.166, 0.157, and 0.203, respectively, the analysis supported the proposed hypotheses H1, H2, and H3. These coefficients support the structured hypotheses of the study by highlighting the beneficial and significant effects these resources have across sustainability aspects along with their related T values (2.321, 2.286, and 3.056).

Table 7. Hypothetical Paths

Hypothesis	*Relationships*	*Beta*	*Mean*	*SE*	*t-Value*	*Pvalue*	*Decision*
H1	*CSMR -> ECOSUS*	0.166	0.182	0.072	2.321	0.020	*Accept*
H2	*CSMR -> ENVSUS*	0.157	0.169	0.069	2.286	0.022	*Accept*
H3	*CSMR -> SocialSUS*	0.203	0.209	0.066	3.056	0.002	*Accept*

Essentially, the structural model emphasizes how important collaborative social program management resources are to improving organizational sustainability practices. The study firmly validates the predicted beneficial effects across economic, environmental, and social sustainability by carefully verifying the model's integrity through tests on multicollinearity, predictive power, and model fit. These results highlight the importance of cooperative approaches in promoting sustainable development goals and not only validate the theoretical framework put forth at the outset but also add insightful empirical evidence to the discourse on sustainability practices.

5. Discussion

In the context of Pakistani social enterprises, the study presents a novel theoretical framework that explores the multifaceted connection between the social, economic, and environmental dimensions of sustainability and the adoption of collaborative social program management resources. This study is unique in that it looks at how collaborative resources affect sustainability results from the perspective of project management within social enterprises and sustainability. The goal of the study is in line with the more general goals of incorporating sustainability into an organization's daily operations, especially in developing nations like Pakistan. The paper provides empirical data on how collaborative social program management resources affect the sustainability dimensions inside social enterprises by evaluating three hypotheses.

First, the study proposed that the economic sustainability of social enterprises (SEs) is positively impacted by social program resources. The results validated this prediction by demonstrating a noteworthy correlation that emphasizes the use of cooperative resources in strengthening the sustainability's economic pillars. This is consistent with research by Bansal (2005), who highlighted how corporate sustainable development plans change over time. Moreover, Kleindorfer et al. (2005)'s discussion of the significance of sustainable operations management highlights the role that innovative practices play in boosting economic sustainability, adding to the ongoing conversation about the economic aspects of sustainability in the social enterprise sector.

Secondly, the study that examined how social program resources affected SEs' social sustainability produced encouraging findings, supporting the theory that cooperative resources improve social sustainability. This finding implies that social companies that use collaborative management techniques will be more successful in achieving their social goals. The results are consistent with the literature's emphasis on the value of social capital and cooperative networks in accomplishing social sustainability objectives. For instance, according to the study of Battilana et al. (2015), productive tensions in hybrid organizations such as social enterprises. By highlighting the concrete advantages of cooperative social program management on the social fabric of the communities that social businesses serve, this study adds to the body of knowledge and validates the findings of previous research on the significance of social capital and collaborative networks.

Thirdly, the study's findings supported the research's hypothesis, which held that social program resources have a positive effect on SEs' environmental sustainability. This emphasizes how important it is for social enterprises to use collaborative management techniques to encourage environmental stewardship. The potential for social businesses to make a substantial contribution to environmental sustainability objectives through creative program management techniques is shown by the positive association found between collaborative social program management resources and environmental sustainability. This conclusion is especially pertinent to Pakistan, where creative solutions are required for sustainable growth due to environmental issues. Ruggieri et al. (2016), who talked about the meta-model of inter-organizational cooperation for the shift to a circular economy, repeated this. The findings of the research emphasize the critical role that cooperative management techniques play in encouraging ecological responsibility among social enterprises and highlight the substantial contributions that creative program management techniques have the potential to make to environmental sustainability goals.

6. Implications of the Study

By presenting a novel paradigm that combines the sustainability dimensions with collaborative social program management tools, the study makes a substantial theoretical contribution. By highlighting the mutually beneficial relationship between cooperative efforts and sustainable development, this theoretical contribution enhances the body of knowledge already available on sustainability and project management in social enterprises. It emphasizes how important it is to comprehend sustainability holistically, taking into account social, economic, and environmental factors. This is essential for both thorough comprehension and practical application. This strategy invites more investigation into the interdependence of these factors and the possible trade-offs and synergies while pursuing sustainability goals in the particular setting of social businesses.

In practical terms, the study's conclusions highlight how crucial it is to implement cooperative social program management tools in order to improve social enterprises' sustainability performance. This elucidates a crucial approach for social companies, especially those operating in developing nations such as Pakistan, to harness external connections and cooperative efforts to tackle sustainability obstacles. Social companies can strategically participate in collaborative relationships that transcend traditional organizational boundaries by using the practical insights offered by this study as a guide. Through this approach, organizations can leverage an expanded network of resources, know-how, and proficiency, leading to creative resolutions to sustainability issues and augmenting their influence on the social, financial, and ecological fronts.

This study emphasizes the vital role that managers and leaders play in creating an organizational culture that actively seeks and supports sustainability through teamwork. It is recommended that managers acknowledge the strategic significance of collaborative social program management resources and establish policies that enable cross-sector collaborations and information sharing. In order to do this, a collaborative project management environment must be established, trust must be built between partners, and competencies supporting collaborative project management must be developed. Additionally, managers must strike a balance between their obligations to the social and environmental sphere and the pursuit of economic viability. This is a difficult undertaking that calls for creative problem-solving and flexible management techniques. The study's conclusions highlight the necessity of a proactive and strategic approach to harnessing collaborative resources for sustainable growth and provide managers with insights into how to successfully integrate sustainability into organizational processes.

7. Conclusion

The exploration of the Resource-Based View (RBV) in elucidating organizational activities highlights its adaptability and significance in fostering innovative development within not-for-profit sectors, particularly social enterprises operating amidst uncertain environments (Kogut & Zander, 2003). This study's investigation into the novel program management resource, Collaborative Social Program Management (Collaborative Social

PgM), reveals its pivotal role in enhancing the tripartite sustainability dimensions, economic, social, and environmental, within social enterprises. The capacity of Collaborative Social PgM to harness external knowledge through expansive networks marks a crucial strategy for social enterprises to amplify their sustainability efforts, by facilitating the acquisition and internal generation of essential resources, including information, skills, tools, and practices.

The empirical findings underscore the substantial impact of collaborative efforts on sustainability outcomes, advocating for the integration of stakeholders across public and private sectors to navigate external uncertainties. This approach not only expands the research paradigm beyond traditional stakeholder management techniques but also proposes a spectrum of network-based engagement strategies aimed at mutual benefit. It underscores the opportunity for organizations to augment their sensing and scanning capabilities, thereby responding more adeptly to the unpredictable needs of their clientele (Jugdev et al., 2011).

In the context of Pakistani social enterprises, the study's novel theoretical framework melding collaborative social program management with sustainability's core pillars offers a significant contribution to the discourse on sustainability in social enterprises. The empirical evidence provided not only validates the framework but also highlights the indispensability of collaborative efforts in bolstering social enterprises' sustainability performance across economic, social, and environmental facets. This underscores the transformative potential of collaborative strategies in addressing sustainability challenges, particularly within emerging economies like Pakistan.

Furthermore, this research broadens our comprehension of the dynamics between project management practices and sustainability outcomes, providing a blueprint for achieving sustainability goals in resource-constrained settings. The insights derived from this study bear significant implications for practitioners, policymakers, and scholars, laying the groundwork for future endeavors aimed at integrating sustainability into the operational core of social enterprises. Through embracing collaborative strategies, social enterprises can navigate sustainability complexities, fostering innovation and catalyzing positive change within their communities and beyond.

7.1 Limitations and Future Directions

While this study gives valuable insights into the sustainability practices of Pakistani social enterprises, it is not without limitations. One of the main limitations is the research's geographic emphasis, which is limited to social enterprises in Pakistan. The findings may not apply to social entrepreneurs operating in other cultural, economic, or environmental contexts due to this geographic restriction. In addition, the study's data collection from a certain subset of social companies may not adequately represent the variety of approaches and difficulties present in the industry as a whole.

The study's methodological approach, which prioritizes quantitative analysis, is another source of constraint. The qualitative subtleties of the links between collaborative social program management resources and sustainability characteristics may not be fully captured by this approach, despite the fact that it offers insightful statistical information. To learn more about the mechanisms through which collaboration affects sustainability outcomes in social enterprises, future research could benefit from using qualitative methodologies like case studies or in-depth interviews.

Future studies could go in a number of interesting areas. Examining how technology promotes cooperative social program management and how it affects sustainability results is one approach. Considering how quickly digital tools and platforms are developing, it could be vital to look into how technology can improve sustainability and teamwork in social companies. Further research might also look at how institutional support and policy frameworks affect the uptake and efficiency of collaborative practices in social enterprises. The creation of more hospitable conditions for sustainability-oriented collaboration in social businesses may be aided by an understanding of the interactions between institutional support, policy, and collaborative techniques. Finally, comparative research in various cultural and economic contexts may provide a deeper comprehension of the generalizability and particularity of the results, advancing the global discussion on sustainability in social enterprises.

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INNOVATIVE SMES: THE ROLE OF INTELLECTUAL CAPITAL AND BOARD SIZE IN SHAPING FINANCIAL PERFORMANCE

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Abstract

Purpose. *Nowadays, intellectual capital (IC) is a crucial driver of value creation, particularly for innovative firms. This study investigates the relationship between IC efficiency and firm performance (FP), with Board of Directors (BoD) size acting as a moderating variable. Although, BoD size-FP relation has been extensively explored in the literature, findings remain inconsistent. Resource-based view suggests that larger BoDs offer diverse experiences, perspectives and knowledge, enhancing decision-making; conversely, agency theory suggests that larger BoDs may lead to higher communication and coordination costs.*
Design/methodology/approach. *Using ordinary least squares (OLS) regression, we analyze data from 2,166 Italian innovative small and medium-sized enterprises (ISMEs). We test the relationship between IC (proxied by value-added intellectual coefficient (VAIC)) and FP (proxied by return on assets and return on equity), considering the moderation role of BoD size. We also employ Lasso regression for robustness.*
Findings. *IC efficiency significantly and positively impacts FP, with BoD size playing a significant moderating role. These findings are robust across both OLS and Lasso regressions.*
Practical and social implications. *The findings are relevant for both managerial practice and scholars. They contribute to They contribute to resource-based and agency theories by offering insightful outcomes on a novel sample. Furthermore, these results can also inform corporate governance practices in innovative SMEs regarding IC orchestration.*

1. Introduction

Determining successful corporate governance (CG) mechanisms is an area of interest for scholars and practitioners (Bansal & Singh, 2022; Sharma et al., 2023). As shown in the literature (Sirmon et al., 2011; Wernerfelt, 1984), CG plays a priority role in strategically managing resources, among which intangible ones are always more relevant in the current knowledge-based economy.

In a highly dynamic environment, such as that of innovative small and medium enterprises (ISMEs), the proper and clever management of intellectual resources is a key driver for competitive advantage (Bansal & Singh, 2022; Barney, 1991; Van et al., 2022; Xu et al., 2023). Moreover, the Italian context seems to be particularly intriguing for this issue (Fiorentino et al., 2024). In fact, although Italian firms report innovation activity at rates similar to other European countries, the actual production of innovations remains lower, contributing to a long-standing stagnation in productivity (Finaldi Russo et al., 2016). In response, Italian policymakers are increasingly supporting the growth of innovative companies (both startups and SMEs), recognizing the central role of innovation in driving business success and sustainable development (Audretsch et al., 2020; Fiorentino et al., 2024).

In recent years, scholars have studied the intellectual capital (IC) – defined as "intangible assets or knowledge resources which can create value for firms as achieve and maintain a competitive edge for them" (Stewart, 1997; Sveiby, 1997) –, recognizing it as a strategic resource. IC efficiency (ICE) – firstly developed in the Skandia model (Edvinsson & Malone, 1997) is strictly related to CG, as it reflects the firm's ability to leverage its intangible assets to generate value. According to Pulic (Pulic, 2000, 2004), ICE can be measured through the Value Added Intellectual Coefficient (VAIC), which considers human, structural and capital resources. The VAIC method offers valuable insights into enhancing the efficiency of both tangible and intangible asset utilization within a firm. This approach is widely recognized for its relative simplicity – as it relies on financial statement data – and has been extensively employed in numerous research (Mulyasari & Murwaningsari, 2019).

BoD plays a crucial role in shaping ICE (Nadeem et al., 2017; Scafarto et al., 2021). Hillman and Dalziel (2003) suggest that board characteristics influence the board's ability to fulfil its monitoring and resource-provision roles, which in turn affects ICE (Berezinets et al., 2016). Moreover, the BoD is not only a source of IC but also a key driver in enhancing its effective utilization. Among the characteristics of BoD, prior research is limited regarding the size, offering inconsistent results (Abdallah et al., 2024).

Numerous studies have investigated the correlation between ICE and firm performance (FP), yet the moderating influence of CG characteristics has remained less explored among academics (Van et al., 2022), especially within the Italian market. Considering the relevance of CG mechanisms and IC, few studies have investigated the moderating influence of BoD size on the relationship between ICE and FP. Hence, a research gap still exists. This study aims to fill methodological, sample and empirical gaps by employing an innovative statistical approach on a relevant and previously unexamined cluster of firms.

Based on these premises, we aim to search the relationship between BoD size and FP as well as ICE (proxied by VAIC) and FP (proxied by return on equity (ROE) and return on assets (ROA)), considering also the moderation role of BoD size.

The analysis refers to Italian ISMEs for the year 2022, thereby neutralizing the distorting effects on financial data due to the Covid-19 emergency. We carried out a quantitative analysis on a dataset of 2,166 entities through a double estimation technique. First, we employed the OLS estimator to test the research hypotheses, and then we performed a Lasso regression. The adoption of this latter adds novelty elements to the methodology.

The findings suggest a negative and significant relationship between BoD size and FP, while a positive one is established between ICE and FP. The positive moderation role played by BoD size emerges regarding the latter.

Hence, we intend to contribute to the current debate on IC in a highly dynamic context, providing both practical and theoretical insights. On one hand, under the theoretical frameworks of resource-based and agency theories (Barney, 1991; Berle & Means, 1932; Jensen & Meckling, 1976; Wernerfelt, 1984), the study enriches the current literature stream on IC, CG and FP (Chen et al., 2005; Nawaz & Ohlrogge, 2023; Van et al., 2022). On the other hand, from a managerial perspective, the study provides intriguing implications in terms of governance practices and intangibles' management, highlighting the key role for BoD in the orchestration of resource management (Sirmon et al., 2011).

To achieve this aim, Section 2 provides the literature review to develop the research hypotheses; Section 3 details the empirical methodology applied; Section 4 describes results; Section 5, after the results' discussion, wraps up the main conclusions.

2. Literature review

2.1. Intellectual capital and firm performance

Various interpretations of IC are presented in literature (Dumay, 2012; Edvinsson & Malone, 1997; Stewart, 1997; Ur Rehman et al., 2022); researchers agree on including both the human capital (HC) and structural capital

(SC) (Evangelista et al., 2018; OECD, 1999). HC refers to individuals within the organization (Edvinsson & Malone, 1997), playing a significant role in enhancing ICE (Laing et al., 2010). SC relates to the operational frameworks and organizational structures of the company, intended to maximize intellectual capacities (Bollen et al., 2005).

Measuring IC has faced challenges. Starting from the Skandia model (Edvinsson & Malone, 1997), VAIC, introduced by Pulic (2000), is a widely used metric for assessing ICE, as it is based on available accounting data that is comparable across companies. VAIC consists of HCE, SCE and Capital Employed Efficiency (CEE), where the latter represents the efficiency in the use of financial and physical capital. Some studies have noted that relational capital—another component of IC—is not directly included (Ståhle et al., 2011); however, it can be indirectly reflected in the efficient management of resources, influencing both HCE and SCE (Iazzolino & Laise, 2013). Several studies have proposed alternative measures to assess ICE. Some authors have adopted qualitative approaches, such as analyses of company reports and models based on intangible indicators (Guthrie et al., 2012), while others have developed composite metrics in multidimensional frameworks, such as the Skandia Navigator (Edvinsson & Malone, 1997) and Balanced Scorecard (Kaplan, 1992). Despite its limitations (Ståhle et al., 2011), VAIC is the most used in empirical research (Iazzolino & Laise, 2013), as it allows a standardised comparison based on available accounting data (Chen et al., 2005; Iazzolino & Laise, 2013; Pulic, 2004).

Pursuant to the resource-based theory, companies must have a good hold on resources "valuable, rare, inimitable and not substitutable" (Barney, 1991) which, when leveraged effectively, enable firms to gain a competitive advantage and attain sustainable performance (Rumelt, 1984; Wernerfelt, 1984). IC can meet these characteristics, representing an intangible resource able to bring a sustainable competitive strength (Barney, 1991; Stewart, 1997). Indeed, based on the second literature stream on IC (Guthrie et al., 2012), scholars widely share the positive effect of IC on FP (Bismuth & Tojo, 2008; Chen et al., 2005).

However, according to the resource orchestration theory (Sirmon et al., 2011), which serves as an extension of the resource-based theory, it is crucial for organizations to properly orchestrate their resources. Hence, the role of CG becomes crucial in leveraging firms' resources to improve financial performance (Scafarto et al., 2021). As shown by previous studies, the ongoing research on governance and IC reports mixed and inconsistent results (Nawaz & Ohlrogge, 2023; Van et al., 2022).

2.2. The moderation role of board size

BoD is the most crucial internal governance instrument (Brennan, 2006). Literature agrees on a triple board function: i) strategic, as defining the strategic formula of the company; ii) monitoring, as safeguarding shareholders' interests; iii) service, as the ability to manage stakeholders' relationships (Galeotti & Garzella, 2013; Johnson et al., 1996). Basically, it is the link between those who bring financial resources (shareholders) and those who manage these resources in order to get company's value (top management) (Monks & Minow, 2012).

Prior research has widely suggested a strict connection between board size and corporate performance with mixed interpretations (Bansal & Singh, 2022; Kao et al., 2019; Kumar & Singh, 2013; Sharma et al., 2023). Literature shows both positive (Ganguli & Guha Deb, 2021; Kiel & Nicholson, 2003) and negative (Cheng, 2008; Eisenberg et al., 1998; Ghosh, 2006; Kao et al., 2019; Yermack, 1996) relations. Moreover, as noted by Sharma et al. (2023), the relation can be both linear and non-linear.

According to the agency theory (Jensen & Meckling, 1976), the relationship between CG and FP is explained by the idea that managers, driven by information asymmetries, may engage in opportunistic behaviours to serve their own interests rather than maximizing shareholders' returns (Berle & Means, 1932). Larger boards may face communication and coordination challenges, slowing down decision-making processes (Eisenberg et al., 1998; Scafarto et al., 2021). Furthermore, they might intensify issues related to free-riding, as incumbent directors may allocate less effort towards fulfilling their responsibilities compared to smaller board structures (Harris & Raviv, 2008).

Eisenberg et al. (1998) identify a significant negative correlation between BoD size and firm profitability in Finnish small and medium sized enterprises (SMEs). Similarly, Ghosh (2006) provides evidence that a gain in the BoD size adversely affects firm value based on 127 Indian manufacturing firms for the year 2003. More recently, Kao et al. (2019) corroborate these findings, demonstrating a negative relationship using a dataset of Taiwanese listed firms from 1997 to 2015.

Conversely, other documents report a positive connection between BoD size and performance. For instance, Bansal and Singh (2022), in their analysis of 92 software companies from 2011 to 2018, find that board size, the frequency of board meetings, and the presence of remuneration and nomination committee positively influence performance metrics such as Return on Assets and Tobin's Q. Similarly, Ganguli and Guha Deb (2021) further confirm this positive relationship showing that the larger BoD size enhance financial performance-measured through ROA, ROE and Tobin's Q, using a sample of 265 entities from the S&P 500 index. Ntim et al. (2015) report that for 169 South African enterprises, larger board sizes positively contributed to performance indicators.

3. Hypotheses development

Based on the theoretical frameworks outlined in the literature review, scholars have widely recognized a relationship between ICE and FP, leaving sample gaps, as the lack of investigations in ISMEs. Thus, the following null hypothesis is formulated:

H1 – IC efficiency has a positive effect on FP.

In addition, although scholars recognized mixed evidence between BoD size and FP. Given previous studies' inclusive evidence, the following hypothesis is proposed:

H2a – Board size has a significant effect on FP.

Following the resource-based theory, BoD can effectively leverage intellectual resources, boosting financial performance. The literature is rich in analyses concerning the relationship between IC and FP, as well as the effect of BoD size on IC efficiency (Nawaz & Ohlrogge, 2023; Scafarto et al., 2021; Van et al., 2022). Both relations are investigated, reaching mainly a positive relationship (Ho & Williams, 2003; Shahzad et al., 2019). Less investigated is the moderating role of board size on the relationship between IC and FP (Van et al., 2022). Hence, the following hypotheses are formulated:

H2b – Board Size, treated as an interaction variable, positively moderates the relationship between IC efficiency and FP.

4. Methodology

4.1. Sample

We retrieved the dataset from AIDA Bureau van Dijk; it includes 2,756 Italian ISMEs established before 2022. After discarding entities for which financial and governance data were unavailable or incomplete regarding the year 2022, the final dataset comprises 2,166 ISMEs, comprising 59% micro, 32% small, and 9% medium-sized enterprises.

As defined by DL 3/2015, ISMEs must be compliant with a series of specific objective and subjective requirements.

Italy was selected as a country of research due to numerous reasons, including the top rank as a global manufacturer leader and exporter. In addition, the sample provides interesting peculiarities not yet faced in previous literature. Indeed, this kind of companies is receiving quite great attention from policymakers, who guarantee a series of benefits in terms of, for example, funding facilities and fiscal incentives.

4.2. Variables

4.2.1. Dependent variables

We applied two accounting-based indicators for financial performance. In particular, we used Return on ROE and ROA to assess FP as the dependent variables (Bansal & Singh, 2022; Ghosh, 2006; Ntim et al., 2015). Moreover, to ensure results' robustness, we employed a linear combination of ROA and ROE, in which each one has the same weight (arithmetic mean) (Morrone et al., 2022). Due to the nature of the sample, which includes non-listed companies, we did not consider any market-based indicator (e.g., Tobin's Q).

4.2.2. Explanatory variables

Our explanatory variable is the ICE, proxied by VAIC (Pulic, 2000). The latter is derived from the firm's value-added (VA), commonly employed in the literature as a proxy for ICE (Chen et al., 2005; Laing et al., 2010; Scafarto et al., 2021). VAIC calculation comprises HC, SC and employed capital (EC) and combines the efficiency of both intangible and tangible assets.

VAIC™ = HCE + SCE + CEE

HCE stands for human capital efficiency, computed as the ratio of VA to employees' costs. SCE stands for structural capital efficiency, computed as the ratio of the difference between VA and employees' costs to VA. CEE stands for capital employed efficiency, computed as the ratio of VA to total assets, excluding intangible assets.

Hence, we calculated value added as follows:

VA = OP + EC + D&A + P

We determined VA by the algebraical sum of operating profit (OP), employees' costs (EC), depreciation and amortization (D&A) and provisions (P).

Board size (BOD_SIZE) is represented by the total members of the BoD as of 31st December 2022. However, we used the logarithmic specification of BoD size to avoid multicollinearity issues among regressors.

4.2.3. Control variables

In addition, we included several control variables: Return on Sales, firm size, leverage and industry sectors. In particular, ROS_adj (Return on Sales) is the ratio of EBITDA to sales, serving as a key indicator of profitability of the firm. SIZE (firm size) is considered using the natural logarithm of sales, providing a standardized metric for the firm scale. LEV is represented by financial leverage, capturing the proportion of both short-term and long-term debt. Finally, we controlled industry-specific effects through the inclusion of ad hoc dummy variables (industry) (Scafarto et al., 2021). The full set of variables included in the models is shown in Table 1.

Table 1. Variables specification

Variable	Definition	Measurement	Literature
ROE	Return on Equity	Net income / shareholders' equity	(Bansal & Singh, 2022; Ghosh, 2006; Isola et al., 2020; Xu et al., 2023)
ROA	Return on Assets	Net income / total assets	(Isola et al., 2020; Van et al., 2022; Xu et al., 2023)
LC_FP	Linear combination of ROA and ROE	(ROA+ROE)/2	(Aryani et al., 2023; Morrone et al., 2022)
VAIC	Value added intellectual coefficient	HCE+SCE+CEE	(Laing et al., 2010; Pulic, 2000; Xu et al., 2023)
HCE	Human capital efficiency	Value-added / total personnel cost	(Nadeem et al., 2017; Pulic, 2000)
SCE	Structural capital efficiency	(Value-added – personnel cost) / value added	(Pulic, 2000)
CEE	Employed capital efficiency	Value-added / capital employed	(Nadeem et al., 2017; Pulic, 2004)
LEV	Financial leverage	Total liabilities / shareholders' equity	(Ganguli & Guha Deb, 2021; Van et al., 2022; Xu et al., 2023)
BOD_SIZE	Board size	Log of number of BoD members	(Buallay & Hamdan, 2019; Ganguli & Guha Deb, 2021; Ntim et al., 2015; Van et al., 2022)
SIZE	Firm size	Log of annual sales	(Ganguli & Guha Deb, 2021)
ROS_ADJ	Return on Sales (adjusted)	EBITDA / Sales	(Barak & Sharma, 2024; Lim, 2025)
industry	Industry dummies	Set of eight dummies which code 1 if the company belongs to the industry and 0 otherwise	(Scafarto et al., 2021)

4.3. The functional form

We used the Ordinary Least Squares (OLS) method to evaluate the research hypotheses, given the static nature of the dataset (fixed year = 2022). The econometric formulations of the linear models are the following:

$$(1) \quad FP_i = \beta_0 + \beta_1 VAIC_i + \beta_2 ROS\_adj_i + \beta_3 SIZE_i + \beta_4 LEV_i + industry + \varepsilon_i$$

$$(2) \quad FP_i = \beta_0 + \beta_1 VAIC_i + \beta_2 BOD\_SIZE_i + \beta_3 ROS\_adj_i + \beta_4 SIZE_i + \beta_5 LEV_i + \beta_6 (VAIC * BOD\_SIZE)_i + industry + \varepsilon_i$$

where FP stands for financial performance and represents the stochastic error.

4.4. Machine Learning approach: Lasso regression

We applied Lasso (least shrinkage and selection operator) regression that is a machine learning–based regularization method useful for improving the prediction accuracy and interpretability (Tibshirani, 1996). In addition, this technique is considered suitable for large datasets (Cerulli, 2023), as ours. This methodological choice strengthens the contribution of the study in multiple ways. First, to the best of our knowledge, Lasso regression has not yet been applied to Italian firms to assess the impact of IC on FP, providing new empirical insights. Second, recent studies highlight the effectiveness of machine learning techniques in FP forecasting (Lim, 2025), especially in the field of accounting and finance (Ding et al., 2020; Mousa et al., 2022). Compared to OLS regression, Lasso offers significant advantages by simultaneously performing variable selection and regularization, reducing multicollinearity and improving model interpretability (Cerulli, 2023).

5. Results

5.1. Descriptive statistics and correlation analysis

In Table 2, we show summary statistics of used variables. Italian ISMEs registered a good general level of FP in 2022, in line with market trends.

Table 2. *Descriptive statistics*

Variables	*Obs*	*Mean*	*Std. Dev.*	*Min*	*Max*
ROE	2233	0.4034259	35.46947	-147.70	146.63
ROA	2424	-2.061708	27.9662	-626.49	180.71
LC_FP	2233	0.83	25.19	-111.41	82.71
VAIC	2207	19.89	693.71	-1,380.99	32,261.08
BOD_SIZE	2639	3.28	2.33	1.00	16.00
VAIC*BOD_SIZE	2207	1.96	63.41	-1,670.52	594.60
ROS_ADJ	2337	-14.82	97.67	-971.46	117.09
LEV	2412	5.84	97.06	-1,711.54	4,009.88
SIZE	2424	12.94	3.42	0.00	18.63

In Table 3, we present the Pearson's correlation matrix with significance levels useful in identifying multicollinearity among the set of variables, as well as in recognizing any prior associations between the variables. Following Kennedy (1985), a value of 0.8 may represent multicollinearity issues, suggesting the absence of multicollinearity among the set of regressors. Anyway, we perform an additional test in the following section.

Table 3. *Correlation matrix*

	ROE	LC_FP	VAIC	BOD_ SIZE	VAIC* BOD_ SIZE	ROS_ ADJ	LEV	SIZE	ROA
ROE	1								
LC_FP	0.9837 ***	1							
VAIC	0.0356	0.0344	1						
BOD_SIZE	-0.184 ***	-0.1982 ***	-0.0262	1					
VAIC*BOD_SIZE	0.104 ***	0.1121 ***	0.0701 ***	0.0253	1				
ROS_ADJ	0.4204 ***	0.4636 ***	0.0145	-0.197 ***	0.0499 **	1			
LEV	0.0791 ***	0.0601 ***	0.0323	-0.028	0.2835 ***	0.0207 **	1		
SIZE	0.2232 ***	0.2374 ***	0.004	0.097 ***	0.0205	0.3964	-0.0014	1	
ROA	0.8413 ***	0.9248 ***	0.0270	-0.170 ***	0.0626 ***	0.7925 ***	0.0067	0.1938 ***	1

5.2. OLS results

In Table 4, we display regression results of model 1 and model 2, in order to test the research hypotheses H1, H2a and H2b. Prior to running the regression models, we computed various diagnostics among the variables. Firstly, the Variance Inflator Factor (VIF) is used to verify multicollinearity issues among regressors. Thus, by setting a cut-off value of mean VIF = 5 (Weisberg, 2005), no serious concern of multicollinearity among regressors was detected. Additionally, we employed robust standard errors to mitigate issues of heteroscedasticity and autocorrelation by utilizing the "robust" option in STATA. This decision is grounded in the resilience demonstrated in prior research (White, 1980), which underscores the efficacy of this approach in mitigating bias in scenarios where heteroscedasticity is observed (Long & Ervin, 2000). Consistent with previous literature on IC, VAIC produces a significant and positive effect on financial performance, proxied by ROE and ROA (Bismuth & Tojo, 2008; Chen et al., 2005). In accordance with resource-based theory, this evidence supports the H1. Overall, each control variable produces a strongly significant association with the dependent variable. Furthermore, the F-test associated with each model confirms the overall significance of the models. Moving to the role of board size, it is evident a direct negative relationship between the number of BoD members and FP. According to model 2, the connection is strongly significant and consistent if tested on both ROE and ROA, supporting H2a. These findings support the idea that a larger board may suffer from communication and coordination problems, as demonstrated by previous studies on CG (Eisenberg et al., 1998; Kao et al., 2019; Yermack, 1996). Finally, turning to moderation analysis, we included the interaction between VAIC and board size in model 2. Results support H2b, demonstrating that larger boards may improve financial performance by leveraging intellectual resources. The t-test confirms the significance of the result with 99% confidence. Our findings are consistent if tested on both dependent variables and are in line with previous research (Ho & Williams, 2003; Shahzad et al., 2019).

Table 4. *OLS regression results*

model	(1)		(2)	
dependent variable	Y = ROE	Y = ROA	Y = ROE	Y = ROA
VAIC	.001473***	.00050304*	.0010229***	.0002772*
BOD_SIZE			-6.801734***	-3.163528***
c.VAIC#c.BOD_SIZE			.0497349***	.0272719***
ROS_adj	.1517705***	.0911111 ***	.1359834***	.083538***
SIZE	1.407598***	.5104855**	1.853368***	0.7202078***
LEV	.2992377***	-0.0290164 *	.2789009***	-0.409416*
industry	yes	yes	yes	yes
_CONS	-12.43769	-2.528328	-17.22155***	-2.43654
Observations	2,006	2,006	2,006	2,006
F-statistics (Prob.>F)	11.20***	10.05***	18.46***	19.31***
R-Sq (between)	0.1954	0.2693	0.2188	0.2951
Robust Std. Err.	yes	yes	yes	yes
VIF	1.10	1.10	1.10	1.10

5.3. Lasso results

We performed the lasso regression, including a linear combination of ROA and ROE as the dependent variable (arithmetic mean). Firstly, following Cerulli (2023), the sample is split into two subsets randomly of 75% and 25%, respectively (Table 5).

Table 5. *Sample split*

Sample	Freq.	Percent	Cum.
Training	1,979	74.99	74.99
Validation	660	25.01	100
Total	2,639	100	

We performed the OLS regression using the training and, subsequently, we employed the lasso postestimation to generate two different sub-samples: the in-sample (i.e., training) and out-of-sample (i.e., testing or validation) that estimate the mean square errors (MSE).

Table 6. *OLS regression on training and validation subsets*

Sample	MSE	R-Sq.	Obs
Training	423.1826	0.3247	1,686
Validation	426.8876	0.3509	547

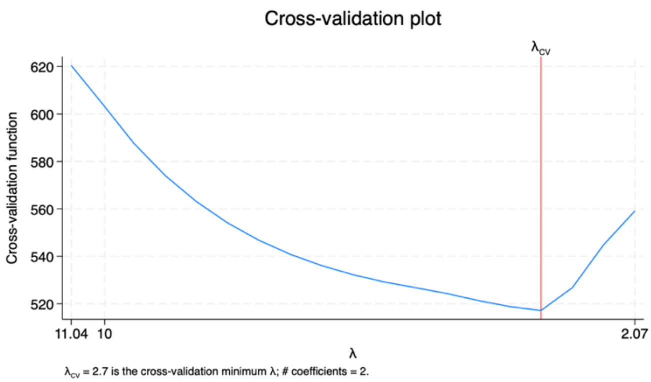
In Figure 1, we report the cross-validation plot of lasso regression, displaying the cross-validation (CV) optimal λ identified by the red mark. Thus, the optimal λ is equal to 2.73 and the CV MSE is 517.1386, associated with an out-of-sample R-squared of 0.1724.

Finally, we employed double-selection lasso linear regression to make inference on the variable of interest, demonstrating results highly consistent with the OLS regression (Table 6).

Table 7. *Inference on full sample (Lasso regression)*

LC_FP	Coefficient	P>z	[95% conf.	interval]
VAIC	0.0006505	0.002	0.0002423	0.0010586
BOD_SIZE	-4.987361	0.000	-6.420785	-3.553937
interaction	0.0386182	0.000	0.0248397	0.0523967

Figure 1. *Cross-validation plot*



5.4. Robustness checks

We assessed the reliability of the outcomes derived from the regressions, and we validated them using various control methodologies. In particular, the estimation of models using two different performance indicators, ROE and ROA, led to consistent and similar results, as shown in Table 4 and confirmed in Table 8. We gave an implicit and double control check by the Lasso regression application. Following this machine learning-based technique, results are robust in both different subsets randomly split. The last stage of control consists of including VAIC components in regression models to test robustness on H1 (Pulic, 2000). In Table 9, we display regression results, providing further support for H1.

Table 8*. OLS regression results (y = LC_FP*

	Model 1	**Model 2**
dependent variable	Y = LC_FP	
VAIC	.0009867**	.0006505***
BOD_SIZE		-4.987361***
c.VAIC#c.BOD_SIZE		.0386182***
ROS_adj	.1218587 ***	.1101092***
SIZE	.9617182***	1.290599***
LEV	.135564***	.1183738**
industry	yes	yes
_CONS	-11.51238***	-11.42302**
Observations	2,006	2,006
F-statistics (Prob. > F)	11.87***	21.02***
R-Sq (between)	0.2289	0.2547
Robust Std. Err.	yes	yes
VIF	1.10	1.10

Table 9. VAIC split into its three components as regressors

	Model (1)		
Dependent Variable (ROE)			
HCE	.0013042***		
SCE		.076044***	
CEE			3.524372***
ROS_adj	.1549334***	.1547971***	.1500004***
SIZE	1.155224***	1.171545***	.7806431***
LEV	.2288596*	.2291482***	-.6169548**
industry	yes	yes	yes
_CONS	-10.91587***	-14.34146***	-10.91587***
Observations	2,166	2,166	2,006
F-Statistics (Prob. > F)	14.32***	31.91***	14.32***
R-Sq (Between)	0.2273***	0.2010***	0.2273
Robust Std. Err.	yes	yes	yes
VIF	1.38	1.09	1.38

6. Discussion and conclusion

The increasing dynamism and the rapid innovation within companies are fostering intense hypercompetition in the global marketplace (Galeotti & Garzella, 2013). ISMEs fully embody this concept, making them a particularly relevant sample that is underexplored in literature. Innovation has emerged as a central theme in contemporary research (Fiorentino et al., 2024), with numerous studies emphasizing its critical role in driving business success and sustainable growth (Audretsch et al., 2020). ISMEs stand out as they must meet specific innovation criteria. This provides an intriguing sample to investigate business internal dynamics, with specific regard to the BoD composition and IC management.

Research has extensively surveyed the relationship between the BoD and FP, revealing both linear and nonlinear associations (Sharma et al., 2023) as well as positive or negative correlations (Eisenberg et al., 1998; Ghosh, 2006; Ntim et al., 2015; Yermack, 1996). Furthermore, literature has broadly examined the link between IC and financial performance, suggesting a positive association.

This study investigates the complex relationship between IC efficiency, BoD size, and FP in innovative Italian SMEs. The results confirm the significant positive impact of ICE on FP (H1), aligning with the resource-based view, which emphasizes the role of valuable intangible assets (Barney, 1991; Sirmon et al., 2011; Wernerfelt, 1984). These findings underscore the importance of organizations strategically managing and leveraging their IC for competitive advantage and financial success (Nawaz & Ohlrogge, 2023; Scafarto et al., 2021).

The findings of this study also demonstrate a significant negative association between BoD size and FP (H2a), consistent with agency theory's prediction regarding increased communication and coordination challenges in larger boards (Eisenberg et al., 1998; Kao et al., 2019; Yermack, 1996). This implies that smaller, more agile BoDs may prove more effective in driving firm performance in this context.

Crucially, an interesting and novel finding of this study is that the negative relationship between BoD size and FP is moderated by IC efficiency (i.e., mitigated in firms with higher IC)(H2b). Specifically, in firms with higher IC efficiency, the negative impact of larger boards is attenuated. This underscores the significance of resource orchestration and suggests that firms with strong IC can mitigate the potential negative effects of a larger BoD by efficiently leveraging their resources (Van et al., 2022).

6.1 Theoretical and practical implications

This study offers both theoretical and practical contributions. From a theoretical standpoint, it integrates resource-based and agency theories to enhance our understanding of how IC and BoD size jointly affect FP. The role played by IC clarifies the conditions under which the negative effects of larger boards are mitigated (Jensen & Meckling, 1976; Wernerfelt, 1984). The findings extend and refine existing research on CG, resource management, and FP, particularly in the context of ISMEs.

From a practical standpoint, the findings provide actionable insights for stakeholders in ISMEs, highlighting the importance of aligning board composition with ICE and the need to effectively orchestrate IC resources to achieve superior financial outcomes (Barney, 1991).

6.2 Limitations and future trends

The study has certain limitations. The quantitative analysis is based on data from a single year. Analysing a more extended timeframe would provide more robust insights into the dynamic interplay of variables investigated. The reliance on the VAIC as the primary measure of ICE presents another limitation (Ståhle et al., 2011). Hence, future research could address these limitations. Furthermore, the sample consists of Italian ISMEs; therefore, caution is advised in generalizing these results to other contexts and firm types.

Future studies might also investigate other moderating factors that could influence the relationship between ICE, BoD size and FP, such as market-based or disclosure-related indicators.

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EQUITY BEYOND EQUALITY: WOMEN'S LEADERSHIP, OWNERSHIP AND PAY GAP IN EUROPEAN SMES

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Abstract

Purpose. *This study investigates the interplay between women leadership and ownership structure in shaping gender pay disparities within the European SMEs. It specifically examines how the presence of women in top leadership roles influences the gender pay gap across publicly owned and family-owned enterprises, thereby contributing to the broader discourse on governance, equity, and organizational performance.*
Design/methodology/approach. *Drawing on a panel dataset comprising 1,050 firm-level observations from European listed companies from 2010 to 2023, the study employs a high-dimensional fixed effects (HDFE) econometric model to estimate the determinants of wage inequality. The analysis is situated within a dual theoretical framework, Agency Theory and Social Role Theory, to elucidate the mechanisms through which gender representation, institutional ownership, and cultural norms influence pay structures. The empirical strategy incorporates interaction terms to assess the moderating effects of ownership type on the relationship between female leadership and the gender pay gap.*
Findings. *The results indicate a robust and statistically significant negative association between women's board representation and the gender pay gap. This relationship is particularly pronounced in public-owned enterprises, where institutional oversight and public accountability appear to enhance the efficacy of inclusive leadership. Conversely, in family-owned firms, greater women's representation is paradoxically associated with an increase in wage disparities, suggesting the presence of enduring patriarchal norms and informal power structures that may undermine formal equality initiatives. Additional findings reveal that board independence and ESG performance contribute to reducing the pay gap, while traditional financial performance indicators exhibit limited explanatory power in this context.*
Practical and social implications. *The findings yield actionable insights for both policymakers and corporate stakeholders. In the public sector, reinforcing gender-inclusive governance frameworks can yield tangible equity outcomes. In contrast, interventions in family-owned enterprises must account for embedded cultural dynamics that may resist surface-level reforms. Recommended policy measures include the enforcement of pay transparency legislation, the introduction of gender-equitable hiring and promotion practices, and the provision of structural supports such as childcare services and flexible work arrangements. These initiatives are essential for equitable labor market outcomes in an industry historically marked by gender imbalance.*
Originality of the study. *This research offers a novel contribution to the literature by providing a comparative, ownership-specific analysis of gender pay dynamics within the ICT sector, an industry characterized by both high wage inequality and persistent gender underrepresentation. Through its integration of institutional theory, gender studies, and econometric modeling, the study advances understanding of how structural and cultural variables jointly condition the impact of female leadership on pay equity.*

1. Introduction

The gender pay gap remains a key area of research, providing essential insights into the factors that contribute to wage inequality between men and women (Carlson & McEnroe, 1985). Existing literature has emphasized the role of occupational segregation, where women are often overrepresented in sectors and professions that pay lower wages compared to male-dominated fields (Ceci et al., 2014; Bishu & Headley, 2020; Blau & Kahn, 2020). This configuration of the labor market significantly increases gender-based wage disparities across various organizational contexts (Bennedsen et al., 2022).

Empirical evidence consistently shows that, on average, women receive lower compensation than men, given similar levels of education, professional experience, and job responsibilities (Litman et al., 2020; Baker et al., 2023). The increasing emphasis on the gender pay gap in corporate discussions highlights the urgent need to identify effective strategies to address this systemic issue. One of the most prominent proposals is to increase women's representation on corporate boards, based on the idea that such measures may help reduce wage inequality (Carter et al., 2017). Numerous studies have pointed out the impact of gender stereotypes in decision-making processes, indicating that female entrepreneurs frequently face systematic disadvantages due to biases favoring male-led firms, even when the characteristics of the organizations are otherwise similar (Aterido & Hallward-Driemeier, 2011; Bönte & Piegeler, 2013; Conroy et al., 2021).

Moreover, prior scholarly analyses of persistent gender wage disparities in corporate settings have prompted deeper investigations into the various factors contributing to this issue (Roethlisberger et al., 2023). One key factor is occupational segregation, which tends to funnel women into lower-paid sectors, thereby exacerbating wage inequalities across different industries (Ceci et al., 2009; Blau & Kahn, 2017).

The continued existence of wage gaps, even when controlling for education, experience, and job function, confirms the structural and systemic nature of the issue (Coffé & Bolzendahl, 2010; Ponthieux & Meurs, 2015). Auspurg et al. (2017), in their study on perceptions of pay equity, argue that subjective evaluations of fairness play a role in maintaining gender-based wage disparities. Their findings demonstrate the pervasive influence of gender bias in compensation practices and highlight the importance of critical awareness in addressing these issues. Within this context, women in senior leadership roles play a strategic part in advancing initiatives aimed at promoting pay equity. However, the issue of gender representation within corporate structures, particularly in high-tech sectors such as Information and Communication Technology (ICT), has gained increasing attention in recent research trajectories (European Institute for Gender Equality, 2020). Historically, these industries have exhibited a male-dominated leadership landscape, resulting in systemic barriers that hinder women's career progression and professional recognition (Tanwir & Khemka, 2018). Nevertheless, recent years have witnessed a proliferation of initiatives aimed at addressing these structural disparities through targeted strategies to increase female representation in executive and board-level positions (OECD, 2023).

Therefore, this study aims to explore the relationship between female leadership, ownership structure (specifically, family-owned and publicly owned firms), and the gender pay gap, with a particular emphasis on the ICT sector. To achieve this objective, this research is based on a dataset comprising 1,050 firm-level observations from European small and medium-sized enterprises (SMEs) listed companies from 2010 to 2023.

The findings reveal that an increase in female representation in top leadership roles is linked to a significant reduction in the gender pay gap, especially in publicly owned firms, where this representation has a particularly positive impact. Conversely, family ownership tends to worsen wage disparities.

This research is particularly important for discussions on gender equality, providing valuable insights that can inform strategies aimed at promoting pay equity in the ICT sector, which has traditionally seen a lack of women in both technical and executive positions.

The paper is structured as follows. Section 1 provides the theoretical framework of the study, Section 2 details the methodological approach, Section 3 presents the empirical results, and the final section offers a discussion of the findings and their implications.

2. Theoretical Background

2.1 Agency Theory and Social Role Theory

This study draws on two theoretical frameworks, the Agency Theory and Social Role Theory, to provide a structured lens through which to examine corporate ownership types and the dynamics of female leadership regarding the gender pay gap.

Agency Theory offers substantial insights into the complex relationships between principals (owners or shareholders) and agents (managers or executives) within organizational contexts. This theory analyzes issues arising from goal divergence between these two groups and investigates strategies to mitigate such conflicts, aiming to align the interests of principals and agents (Eisenhardt, 1989; Bergen et al., 1992; Linder & Foss, 2013; Moloi & Marwala, 2020). Eisenhardt (1989) proposed an integrated perspective on Agency Theory by incorporating insights from research on cooperative challenges, information systems, incentives, risk, and empirical robustness, particularly when the agency perspective is combined with complementary approaches. Bergen et al. (1992) expanded on the theory's application in the field of marketing, exploring both forward-looking and retrospective agency research to identify how this framework can advance knowledge and practice in marketing.

Additionally, Linder and Foss (2013) investigated pre-contractual (hidden characteristics) and post-contractual (hidden actions) information asymmetries, highlighting the role of incentive mechanisms and monitoring tools in mitigating their detrimental effects on organizational performance. Moloi and Marwala (2020) explored the potential impact of artificial intelligence on agency relationships, emphasizing how advanced data exchange systems between agents and principals can foster behavioral alignment within organizations. Furthermore, Bosse and Phillips (2016) enriched the theory by examining extreme behaviors in empirical studies, incorporating principles of reciprocity and fairness into Agency Theory.

This study examines gender disparities in business, particularly focusing on the pay gap influenced by societal perceptions and gender-role stereotypes. It incorporates Social Role Theory, which explores how societal values shape individual behavior in different areas, including the workplace. This framework provides a basis for analyzing how increased female representation on corporate boards may challenge and reshape existing norms, ultimately fostering more equitable compensation practices.

Eagly and Wood (2016) examined how behavioral differences and similarities between men and women largely stem from their socially assigned roles. In a meta-analysis, Franke et al. (1997) explored gender-based differences in ethical attitudes toward business activities, emphasizing the influence of gender roles on perceptions and decision-making processes in entrepreneurial contexts. Similarly, Kiefer et al. (2022) found that gender affects small business performance, with disparities shaped by societal expectations and access to resources. These findings suggest that female leaders can have a significant impact on corporate standards by advancing fair pay practices and initiatives aimed at narrowing the gender pay gap.

Finally, Diekman and Schneider's (2010) work applying the Social Role Theory framework demonstrates that gender roles profoundly influence attitudes and behaviors in both personal and professional domains, with important implications for compensation and gender equality in the workplace.

2.2 Female leadership and the gender pay gap

An increasing number of scholarly studies have emphasized that women's representation in leadership roles is essential for strengthening organizational balance and promoting equity-driven practices within institutions (Stainback & Kwon, 2012; Bennedsen et al., 2022; Post et al., 2021; De la Torre-Torres et al., 2024). Women leaders play a crucial role in narrowing the gender pay gap by facilitating career advancement opportunities for female employees, recognizing and valuing their contributions, and implementing stricter equity standards.

Empirical evidence suggests that the presence of female supervisors is associated with a reduction in perceived discrimination among female employees, indicating that women in leadership may serve as a buffer against gender bias in the workplace. Moreover, supervisory support is positively correlated with increased organizational commitment, which in turn is associated with more substantial wage growth over time (Stainback et al., 2011; Cook et al., 2018).

According to Spencer et al. (2019), women chief executive officers (CEOs) tend to develop a unique set of leadership competencies that become more refined as they progress in their careers, ultimately reaching their peak potential during their tenure. In this context, women leaders are often driven by a strong sense of mission and a belief that their organizations can make a positive impact not only on their employees but also on the broader community. As a result, some women in leadership positions may choose to avoid roles in companies with vague or ethically questionable objectives, instead favoring organizations committed to high-value principles.

Women executives also exhibit a lower propensity for gender bias in evaluative processes, contributing to the mitigation of wage penalties for female employees and supporting the upward mobility of women in lower hierarchical positions. Empirical research shows that female presence on corporate boards is linked to reduced occupational segregation and greater inclusion of women in managerial roles, thus fostering their professional development (Eagly et al., 2003; Skaggs et al., 2012; Stainback et al., 2016).

Furthermore, women's board representation acts as a catalyst for cultural transformation, serving as a role model for women across various organizational levels (Kirsch, 2022). Exposure to women in senior positions can inspire employees to pursue career advancement and negotiate more equitable employment terms. At the same time, women's board members may serve as mentors, facilitating access to professional opportunities and contributing to the enhancement of compensation policies (Eagly et al., 2018; Chang et al., 2023). A study by Biswas et al. (2021) examined the impact of female board representation on gender equality, with a focus on occupational segregation in non-managerial roles. The findings suggest that, while the effects of female leadership may not be immediately evident, they generate long-term structural changes in organizational culture and internal policies, encouraging a more balanced distribution of responsibility across genders.

Cook et al. (2018) investigated whether the gender composition of boards and compensation committees affects executive pay disparities. Their data indicate that the pay gap tends to narrow when a woman chairs the compensation committee, suggesting that empowering female leaders in decision-making roles is key to addressing wage inequality.

Magda and Cukrowska-Torzewska (2019) analyzed the correlation between female leadership, and the gender pay gap in both public and private sectors in Poland. Their findings indicate that greater female representation in managerial roles positively affects pay equity, with the effect being more pronounced in the public sector, which is typically characterized by a highly qualified workforce. Later, Magda and Sâach (2020) observed that wage disparities are more pronounced in foreign-owned firms than in locally owned ones, suggesting that ownership structure significantly influences wage dynamics. Masso et al. (2020) explored firm-level determinants of the gender pay gap, finding that these inequalities are shaped by institutional labor market structures and women's comparatively weaker negotiating power. In parallel, Chen et al. (2018) studied the impact of motherhood on wage disparities, showing that gaps widen during marriage and childbirth phases. However, as women ascend the corporate hierarchy, their income tends to rise, and the wage gap gradually narrows. Consistent with Cohen and Huffman's (2007) conclusions, greater gender diversity in leadership appears to promote more equitable outcomes for all employees by mitigating pay disparities.

In conclusion, as demonstrated by Saeed et al. (2016), the importance of women's leadership in the ICT sector aligns with the overarching objectives of promoting diversity and inclusion, which are vital for fostering innovation in today's labor market. Empowering women to take on leadership roles allows technology companies to establish a sustainable competitive advantage. Given these insights, the first hypothesis to be tested in this study is formulated as follows:

H1: There is a negative relationship between female representation in leadership and the gender pay gap in the ICT sector.

2.3 Public-owned enterprises and the gender pay gap

The analysis of publicly owned enterprises is an important area of study within business administration and corporate governance. This research particularly focuses on the implications of government ownership for organizational dynamics, strategic decision-making processes, and financial and economic performance. The literature highlights that the impact of public ownership on managerial effectiveness largely depends on the ideological and political orientation of the ruling government. This relationship tends to vary significantly based on the institutional and national context (Zaid et al., 2020; Aguilera et al., 2021).

From this perspective, public ownership and its interconnections with political and institutional spheres play a critical role in shaping corporate strategies, affecting key variables such as financial leverage, investment in research and development (R&D), and internationalization processes (Tihanyi et al., 2019). Publicly owned firms are conceptualized as hybrid entities, exhibiting varying degrees of public participation and control. These characteristics justify the need for an analytical approach capable of capturing the complex role such firms play within the global economic structure (Bruton et al., 2015; Ang et al., 2022).

An important area of investigation focuses on the relationship between ownership structure and organizational dynamics, particularly regarding the role of public ownership in shaping internal corporate policies, including those aimed at promoting gender equity. Publicly owned enterprises often adopt governance models that differ significantly from those of private companies. This difference is especially noticeable in sectors like ICT, where innovation and competitiveness are crucial for success. In this context, Yu (2013) examined the relationship between public ownership and firm performance in Chinese listed companies. The study revealed that higher levels of public ownership could provide advantages through access to government support and privileged political connections, thereby creating a favorable environment for innovation.

Ang et al. (2022) explored the relationship between Corporate Social Responsibility (CSR) and financial performance, specifically examining how ownership structure moderates this relationship in environmentally impactful Chinese firms. Their findings reveal that CSR positively affects economic performance; however, this effect is stronger in private enterprises compared to those with public ownership.

In a related study, Zaid et al. (2020), applying principles of agency theory, found that both government and foreign ownership positively influence CSR disclosure. This suggests that these ownership structures encourage a greater commitment to social responsibility among corporations. The effect is particularly pronounced in firms with a highly independent board of directors, which enhances the positive impact of CSR initiatives.

Conversely, institutional ownership, when board independence is lacking, did not demonstrate a significant effect on sustainability disclosure. However, when board independence is taken into account, a positive and statistically significant interaction is observed, indicating that institutional investors can play a crucial role in promoting CSR practices, provided they operate in an environment of genuine board autonomy.

Given this evidence, the current study utilizes agency theory as a conceptual framework to explore the relationship between public ownership, and the gender pay gap and proposes the following research hypotheses:

H2a: There is a negative relationship between public ownership in firms and the gender pay gap in the ICT sector.

Women leaders in public firms have the potential to influence pay structures and help close gender pay gaps. Their leadership may be supported by institutional incentives aimed at promoting equity (Zaid et al., 2020; Magda & Cukrowska-Torzewska, 2019).

This influence can lead to several interconnected benefits. First, women executives often possess a heightened awareness of gender equity issues, shaped by their professional experiences and informed perspectives on workplace inequality. This awareness can result in the development of more inclusive policies, such as transparent salary bands, equitable promotion criteria, and proactive pay audits.

Second, public firms usually face increased scrutiny from institutional investors, regulatory bodies, and the general public. These stakeholders are increasingly demanding accountability and transparency regarding diversity, equity, and inclusion (DEI) outcomes. As a result, women leaders, especially those in prominent top-management or board positions, may feel empowered or even incentivized to implement reforms that address structural inequities in pay.

Research indicates that institutional pressures, such as ESG reporting requirements or shareholder activism, can align with the values and leadership styles of women executives, promoting fairness and equity in compensation.

H2b: The effect of public ownership on the gender pay gap is moderated by women's representation in leadership positions within the ICT sector.

2.4 Family businesses and the gender pay gap

In the ICT industry, which is marked by intense competition and a continuous drive for innovation, the dynamics of family ownership and their implications for gender equality have become increasingly important in academic and economic discussions (Arujunan et al., 2018; Cordeiro et al., 2020; Sarto et al., 2021). Historically, family-run businesses have played a crucial role across various sectors, including technology. These companies often have unique organizational cultures and long-term decision-making processes influenced by legacy-driven values and relational logics (Liedholm & Röström, 2023).

However, the ownership structure of family businesses can sometimes act as a barrier to gender diversity and inclusion. It may reinforce traditional role distributions and perpetuate inequitable decision-making, particularly in the ICT sector, where stereotypes regarding technical competence and leadership persist.

The attributes of family ownership exert a significant influence on gender-based wage disparities within firms. Unlike managers in non-family firms, who are often guided by short-term goals and impersonal management approaches, family business owners tend to develop a strong identity-based attachment to their firm (Duh et al., 2010). This connection can promote organizational cohesion and reduce hierarchical rigidity, fostering closer interactions between employees and top management. However, such proximity does not necessarily lead to greater pay equity: while factors typical of non-family firms, such as disparities in bargaining power or the absence of advocacy mechanisms, may be somewhat attenuated (Bhaumik et al., 2010; Giancotti et al., 2024), internal dynamics in family firms may still reproduce implicit discriminatory practices.

Women's inclusion in family-run firms is often mediated by treatment akin to that afforded to family members. While this may reduce overt forms of discrimination, it can simultaneously uphold structural inequalities. In firms steeped in tradition, there is often a tendency to reproduce conventional gender norms, where men are viewed as primary earners and women are relegated to supportive or caregiving roles (Jain et al., 2021). This configuration contributes to an unequal distribution of career opportunities, with men favored for advancement into top-level positions and women confined to lower-paid roles with limited prospects for upward mobility.

Family dynamics within firms may reinforce traditional gender norms and implicit biases, exacerbating the gender pay gap. While family businesses may offer relatively transparent compensation mechanisms and closer interaction between management and employees, this does not necessarily translate into reduced wage asymmetries. Deep-seated perceptions about the division of labor continue to shape strategic and organizational decisions (Nadeem et al., 2020). In many family firms, there is a persistent cultural preference for male leadership, with women often assigned administrative or supportive functions (D'Allura et al., 2021; Naciti et al., 2021). This orientation can distort hiring, promotion, and compensation policies, fueling gender-based disparities in the allocation of economic resources.

Despite facing various challenges, family-owned firms have characteristics that could help reduce the gender pay gap. Additionally, closer relationships between employees and management (Tsai, 2010) might promote greater transparency in wage-setting processes. This transparency could minimize pay imbalances resulting from information asymmetries or the weaker negotiation power of female employees (Campopiano et al., 2017). Therefore, the long-term focus often found in many family businesses may lead to a greater emphasis on employee well-being and an inclusive approach to compensation policies.

Based on these considerations, the following hypothesis is proposed for empirical testing:

H3a: Family ownership has a positive effect on the gender pay gap in the ICT industry.

When women, especially those with family ties to the firm, hold leadership positions, they may reflect values that closely align with the family's long-term strategic vision and reputational concerns (Cambrea et al., 2024). This alignment can encourage the adoption of socially responsible practices, such as implementing fairer compensation policies (Cambrea et al., 2024). In this setting, female leadership can influence the organizational culture by introducing inclusive norms and practices, which may help reduce the gender pay gap often seen in family-owned businesses. Therefore, we propose the following hypothesis:

H3b: The impact of family ownership on the gender pay gap is moderated by the degree of female representation in leadership positions within the ICT industry.

3. Methodology and Data

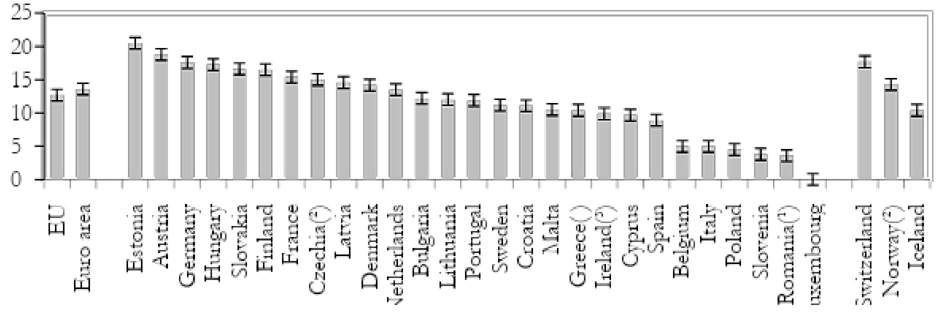
3.1 Research design

The European Union's ability to legislate on gender equality dates to the Treaty of Rome in 1957. Since then, the European Commission (EC) and European Parliament (EP) have continued efforts to promote a more balanced approach to representing men and women in decision-making positions. In 2010, the EC launched a strategy for equality between women and men, placing the issue of corporate boardroom gender diversity on its political agenda. In 2011, the EC called for credible self-regulation by companies to ensure a better gender balance on the boards of directors. However, as progress was too slow, the EC introduced a draft directive to accelerate progress toward a more balanced gender representation on boards of listed companies throughout Europe. The EP approved the directive with a substantial majority on November 20, 2013. The main principles of the directive were to introduce (i) a minimum of 40% representation of the underrepresented sex for non-executive board members of listed companies by January 1, 2020; (ii) the adoption of unambiguous and neutrally formulated criteria for the selection process within the boards; (iii) priority to a candidate of the underrepresented sex if they are as qualified as candidates of the opposite sex; and (iv) the use of dissuasive sanctions for companies that fail to comply with the terms of the directive.

Despite the European government's efforts to reduce the gap in the average gross hourly earnings between women and men, in 2021, women's gross hourly earnings were, on average, 12.7 % lower than those of men in the European Union (EU) and 13.6% lower in the Euro area (EUROSTAT, 2021)[1].

Figure 1 shows the difference in average gross hourly earnings between male and female employees as a percentage of male gross earnings in 2021. The gender pay gap across European countries varies by 20.3%, with the lowest gap of 0.7% in Luxembourg and the highest gap of 21% in Estonia.

Figure 1. *The gender pay gap across the EU in 2021*



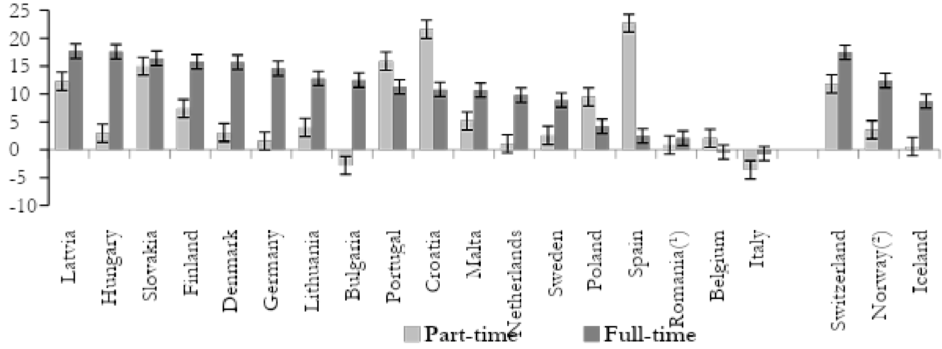
Source: EUROSTAT

On average, women earn 0.87 cents for every euro earned by men, and they need to work 1.5 extra months to make up for the difference.

In addition, Figure 2 reports the gender pay gap analyzed from a part-time and full-time employment (%) perspective in 2021. Although data are not available for all EU member states, the gender pay gap for part-time workers varies from -3.6% in Italy to 22.7% in Spain, whereas for full-time workers, it ranges from -0.7% in Italy to 17.7% in Latvia. Even if a negative sign for the gender pay gap indicates that women's gross hourly earnings are higher than those of men, the sign can be misleading because of selection bias, especially when the employment rate is lower for women than for men.

[1] For more details, see: Genderpaygap.pdf (europa.eu) and The gender pay gap situation in the EU - European Commission (europa.eu)

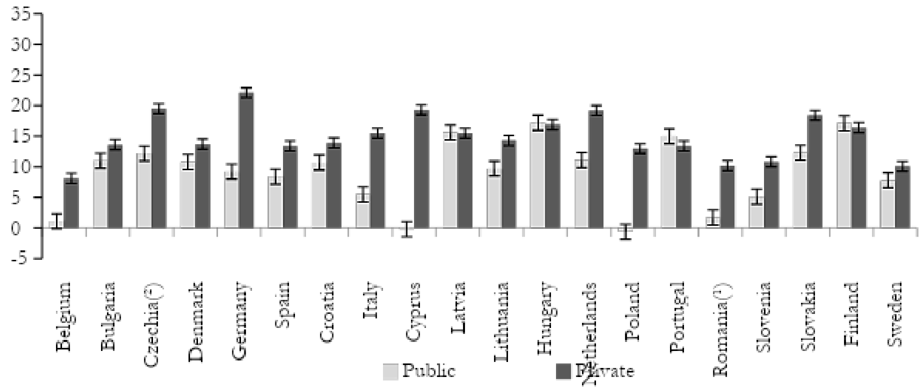
Figure 2. The gender pay gap by working time in 2021



Source: EUROSTAT

Furthermore, the gender pay gap varies across sectors of the European labor market in 2021. As Figure 3 shows, many EU countries have a higher pay gap in absolute terms in the private sector than in the public sector. The gender pay gap ranges from 8.1% in Belgium to 22.1% in Germany in the private sector and from -0.6% in Poland to 17.2% in Hungary in the public sector. The high gender pay gap in the private sector may be attributed to transparent wage grids that apply equally to men and women in the public sector of EU countries[2].

***Figure 3**. The gender pay gap by sectors (%) in 2021*



Source: EUROSTAT

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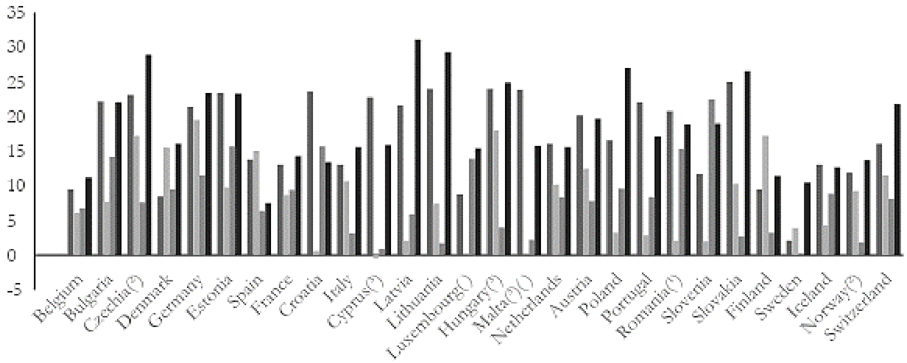
[2] For further details, see: Equal Pay: http://ec.europa.eu/justice/gender-equality/gender-pay-gap/index_en.htm and European Institute for Gender Equality (EIGE): http://www.eige.europa.eu/

Finally, the gender pay gap varies according to economic activity in the European labor market in 2021. Figure 4 shows a significant difference in pay levels between manufacturing, electricity and natural resources, construction, and ICT industries. The manufacturing and ICT industries register the highest gaps at 15% and 20%, respectively, compared to the electricity and construction industries at 5% and 10%. Although ICT is a cutting-edge industry that matches the current demand required by Generation 4.0, a significant gender pay gap exists between female and male employees. Therefore, this study focuses on some factors affecting the persistent pay gap within companies in this sector, as demonstrated in the remaining part of the study.

Figure 4. *The gender pay gap by activity (%) in 2021*



Source : EUROSTAT[3]

3.2 Dataset

This study utilizes a balanced panel dataset comprising 1,050 firm-year observations collected from 75 publicly listed companies across 14 European countries, covering the years from 2010 to 2023. The dataset was constructed using information obtained from Refinitiv, focusing on firms classified in the ICT sector according to Refinitiv's industry taxonomy. Due to the limited public availability of gender-disaggregated compensation data, the final sample includes only those firms for which consistent and reliable gender pay gap indicators were accessible throughout the entire period.

In addition to gender pay data, we required comprehensive information on key financial metrics such as EBITDA, ROA, total assets, and leverage, as well as governance attributes including board structure and gender

[3] Note: Dark grey denotes manufacturing, light grey electricity and natural resources, shaded grey constructions, and black information and communication industries.

representation in leadership. We also considered ownership classification (publicly owned or family-owned) and ESG scores. Firms with missing data for any of these essential variables were excluded to ensure the robustness and comparability of the dataset.

While the relatively small sample size may limit the generalizability of the findings, it still represents over 50% of the total market capitalization in each EU country included in the study. Therefore, it effectively reflects the current state of data availability and disclosure practices in the private sector, particularly in industries and firms where transparency regarding pay equity is inconsistent. This structured sampling strategy enhances the replicability of the research while maintaining the internal validity of the empirical analysis.

All variables were winsorized at the 5th and 95th percentiles to control for the outliers.

Table 1 illustrates the average percentages of the gender pay gap (%) of firms in the ICT industry across the EU countries. Table 2 presents descriptive statistics, and Table 3 illustrates the correlation matrix. The primary data sources are Refinitiv, a Thomson Reuters database that is part of the London Stock Exchange Group (LSEG), which delivers a vast array of real-time and historical data, analytics, and market insights, including data on equities, fixed income, commodities, foreign exchange, and derivatives. The remaining missing data from LSEG is provided by Yahoo Finance, a database offered by Yahoo. The additional source for statistics on pay policies across the EU is EUROSTAT.

Table 1. *Gender pay gap (%) in the EU firms in 2023*

Country	Mean (%)	Std. Dev. (%)	Min (%)	Max (%)
All countries	83.0	12.0	47.0	100.0
Belgium	75.0	5.0	56.0	100.0
Denmark	76.0	4.0	73.0	81.0
United Kingdom	78.0	9.0	56.0	100.0
Finland	79.0	2.0	76.0	81.0
France	82.0	16.0	47.0	100.0
Germany	84.0	11.0	61.0	100.0
Greece	82.0	8.0	73.0	93.0
Italy	94.0	19.0	75.0	100.0
Luxembourg	83.0	1.0	81.0	84.0
Netherlands	79.0	15.0	65.0	100.0
Norway	64.0	4.0	61.0	69.0
Poland	73.0	2.0	70.0	75.0
Spain	80.0	11.0	66.0	90.0
Sweden	71.0	7.0	56.0	100.0

Source: Refinitiv

Note: Values express the average gender pay gap per country in 2023.
All figures are rounded to 1 decimal place and expressed as percentages.

Table 2. *Descriptive statistics*

Variable	Obs	Mean	Std. Dev.	Min	Max
GP_gap (%)	1,050	95.21	9.98	47.30	100.00
DWLeader	1,050	0.25	0.43	0.00	1.00
Public_ownership	1,050	0.65	0.48	0.00	1.00
Family_ownership	1,050	0.35	0.48	0.00	1.00
Board_independence	1,050	0.53	0.49	0.00	1.00
Board_dimension	1,050	0.77	0.42	0.00	1.00
Firm_age (years)	1,050	21.89	4.52	14.00	33.00
Firm_total_assets (€)	1,050	12,873.30	4,388.56	0.00	64,482.32
EBITDA (€)	1,050	158.80	643.28	-5,121.00	7,399.00
ROA (%)	1,050	1.41	12.79	-0.24	180.62
Leverage	1,050	0.002	0.03	0.00	1.05
ESG_score (0–100)	1,050	17.83	26.51	0.00	100.00
Firm_id	1,050	9.93	4.92	1.00	75.00
Region_id	1,050	7.13	3.92	1.00	14.00
Year	1,050	2016.50	4.03	2010.00	2023.00

Note: All variables are based on 1,050 firm-year observations. Percentages and decimals are rounded to 2 decimal places where appropriate. Financial values are shown in thousands of EU.

Table 3. *Matrix of correlation*

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
(1) GP_gap	1.000									
(2) DWLeader	-0.347	1.000								
(3) board_indipend	-0.001	-0.069	1.000							
(4) board_dimension	0.077	0.040	0.519	1.000						
(5) firm_age	-0.051	0.046	0.024	-0.048	1.000					
(6) Firm_total_asset	0.022	0.279	0.057	0.121	0.435	1.000				
(7) EBITDA	-0.040	0.132	0.094	0.102	0.238	0.174	1.000			
(8) ROA	-0.081	-0.050	0.102	0.059	0.125	-0.045	-0.032	1.000		
(9) Leverage	0.025	-0.033	-0.030	0.011	-0.022	0.008	-0.021	-0.018	1.000	
(10) ESG_score	-0.331	0.682	0.031	0.121	0.431	0.051	0.355	0.394	0.176	1.000

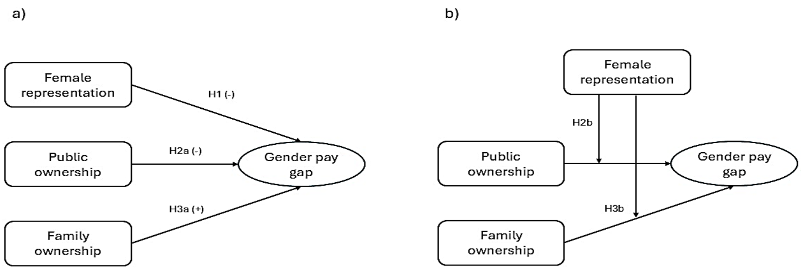
3.3 Theoretical model and the empirical strategy

As aforementioned, this study proposes a theoretical model to investigate the determinants of the gender pay gap, with a particular focus on the roles of organizational ownership structure and female representation in leadership. Figure 5 presents the diagrammatic representation of the research hypotheses.

Panel (a) illustrates the direct effects model, which includes Hypotheses H1, H2a, and H3a. This model posits that women's representation in leadership positions, public ownership, and family ownership each have independent influences on the gender pay gap. Specifically, it hypothesizes that higher female representation and public ownership are associated with a reduction in wage disparities, while family ownership tends to reinforce these pay gaps.

Panel (b) introduces the moderation effects model, corresponding to Hypotheses H2b and H3b, and emphasizes the contingent role of female leadership. It proposes that the impact of ownership structure on the gender pay gap is not uniform; rather, it varies depending on the level of female representation in leadership positions.

Figure 5. *Proposed theoretical model*



Source: Authors' elaboration

To test the hypotheses outlined in Section 2, we employed a multivariate econometric model using High Dimensional Fixed Effects (HDFE) and clustered robust standard errors. This approach controls for both firm-level and country-level fixed effects, as described by Correia (2016).

$$GP\_gap_{it} = \beta_0 + \beta_1 DWLeader_{it} + \beta_2 public\_ownership_{it} + \beta_3 family\_ownership_{it} + \beta_k interaction_{it} + \beta_{j\ldots j+n} \boldsymbol{X_{it}} + \alpha_i + \lambda_t + \varepsilon_{it} \quad [1]$$

The dependent variable employed in this study is the gender pay gap (*GP_gap*), expressed as the percentage difference in average gross hourly earnings between male and female employees. In addition, a set of key independent variables is introduced to examine the impact of gender representation and ownership structures on wage disparities, as follows:

1. Woman Leadership (*DWLeader*): This binary variable equals one if there is at least one woman in a leadership role on the board (e.g., CEO, Chair, or executive and non-executive director) and zero if no women hold leadership positions on the board. This variable provides insights into gender representation at the highest levels of corporate governance. Incorporating this variable into the analysis allows for the assessment of gender disparities at the executive level and tracking progress toward achieving gender equality in corporate leadership positions.
2. Public-Owned Enterprises (*public_ownership*): A dummy variable coded as one if the firm exhibits significant public ownership and zero otherwise. It reflects the influence of institutional ownership and state oversight on organizational behavior. The reason for adding this variable is twofold: first, it controls for the ownership structure that influences firms' behavior, including employment policies, pay practices, and diversity initiatives; second, it accounts for differences not solely due to gender policies but also due to i) wage-setting practices (more standardized or regulated in government-owned enterprises, GOEs), ii) unionization (often higher in GOEs, which can reduce pay disparities), and iii) industry concentration. Without controlling for this, government ownership effects may be confounded with those of gender policies of other corporate structures.
3. Family-Owned Firms (*family_ownership*): A binary variable indicating whether the firm is under family control (presence of family shareholding), taking the value of one if so, and zero otherwise. This variable accounts for family-related cultural and structural factors potentially associated with pay practices.
4. Interaction Terms: Two interaction terms are included, the *DWLeader×public_ownership* and the *DWLeader× family_ownership*, to assess the joint effects of ownership structure and women leadership. These terms capture whether the impact of women in leadership roles varies depending on the firm's ownership configuration. In particular, the interaction allows for examination of whether public ownership amplifies and whether family ownership constrains the effect of women's leadership on the gender pay gap. Given that family-owned enterprises tend to be private, part of the observed gender pay differential may be attributable to the greater wage

transparency and equity enforcement typically found in publicly owned firms.

The model also incorporates a vector of control variables (X_it) to account for other organizational factors influencing pay inequality:

5. For board characteristics, we include the board independence (*board_independence*), which is a dummy variable equal to one if the board includes independent directors, zero otherwise. Board size (*board_dimension*) is a dummy variable coded with one if the board is large (above the sample median) and zero otherwise.
6. For firm characteristics, we add the firm age (*firm_age*), measured as the number of years since the firm's founding. Firm Size (*firm_total_assets*), which is expressed as the total value of the firm's assets, is a proxy for organizational scale and the firm's complexity.
7. For a firm's operational risk and sustainability-related Earnings Before Interest, Taxes, Depreciation, and Amortization (*EBITDA*) and Return on Assets (*ROA*) are used to capture operating and financial performance. Financial leverage (*leverage*) is calculated as the ratio of total debt to total assets, reflecting the firm's capital structure and associated financial risk. Finally, the Environmental, Social, and Governance index (*ESG_score*) assesses a firm's performance in environmental sustainability, social responsibility, and governance practices. It is based on Agency Theory, where high ESG performance aligns managerial actions with stakeholder interests, reflecting transparency and long-term strategies. From the perspective of Social Role Theory, high ESG scores indicate a commitment to challenging gender norms and promoting inclusive workplace cultures, ultimately helping to reduce gender-based pay disparities.

Finally, the term α represents unobserved, time-invariant fixed effects at the regional level, while λ captures unobserved, time-invariant fixed effects at the year level. The error term ε is assumed to be independently and identically distributed.

Results

4.1 Main estimated results

The estimated results of the multivariate model specified in Equation 1 are presented in Table 3. Model (1) serves as the baseline specification, while the subsequent models (2 through 6) present expanded specifications, each incrementally including additional variables. The first three models (1–3) differ from the latter three (4–6) in that the latter incorporate family-owned firms as an independent variable instead of publicly owned enterprises. Moreover, models (3) and (6) include interaction terms to assess the moderating effect between *DWLeader* and *public_ownership* or *family_ownership* structures of the ICT firms, respectively. All specifications include fixed effects of the firms, country, and year levels. Additionally, firm-year and country-year interaction terms were included to account for heterogeneous influences on the gender pay gap. Table 3 also reports the number of observations and R-squared values at the bottom of each model.

In all models, the main independent variable, *DWLeader* exhibits the expected negative sign and is statistically significant at the 5% level (hereafter referred to as "level"). This result indicates that, on average, an increase in the proportion of women on the board of directors is associated with a reduction in the gender pay gap of 0.28% to 0.38%, ceteris paribus. This finding supports Hypothesis 1, suggesting that greater female representation in corporate leadership is associated with narrower gender pay disparities.

Models (2) and (3) report negative and statistically significant coefficients for *public_ownership* at the 1% level. These findings indicate that, on average, an increase in public ownership, compared to family-ownership firms, is associated with a decrease in the gender pay gap of 0.25% to 0.28%, ceteris paribus. This result supports Hypothesis 2a, which posits that public ownership is associated with greater gender equity within corporate boards. In addition, Model (3) inserts the interaction term, *DWLeader × public_ownership*, that exhibits a negative sign and is statistically significant at the 1% level. This suggests that an increase in female board representation in publicly owned enterprises is associated with an additional decrease in the gender pay gap of 0.18%, ceteris paribus. This novel result aligns with Hypothesis 2b, indicating that the combination of board diversity and public oversight strengthens gender equity outcomes in firms with significant public ownership.

Conversely, Models (5) and (6) include *family_ownership* as an independent variable. These variables yield positive coefficients, statistically significant at the 1% level. This implies that, on average, an increase in family involvement in corporate boards is associated with a 0.18% increase in the gender pay gap, ceteris paribus.

Furthermore, Model (6) evaluates the interaction term *DWLeader × family_ownership*, which yields a positive and statistically significant coefficient at the 1% level. This finding indicates that, on average, a higher proportion of women on the boards of family-owned firms is associated with a 0.12% increase in the gender pay gap, ceteris paribus. This result provides empirical support for Hypothesis 3b, highlighting the potential for structural or cultural constraints in family-owned businesses to counteract the positive impact of female board representation on pay equity.

To facilitate the interpretation of these interaction effects, Figure 6 graphically illustrates the predicted gender pay gap across ownership types, conditional on the presence or absence of women leadership. The figure clearly shows that in publicly owned enterprises, the gender pay gap decreases more substantially when at least one woman holds a leadership position, supporting the amplifying effect of public ownership on gender equity outcomes (Hypothesis 2b). Conversely, in family-owned firms, the presence of female leaders is associated with a higher predicted gender pay gap, reflecting the potential for structural or cultural dynamics within these firms to dampen or reverse the equity-promoting effects of gender-diverse leadership (Hypothesis 3b). This visualization complements the statistical evidence presented in Models (3) and (6) of Table 3 by illustrating how the marginal effect of female leadership on the gender pay gap varies significantly depending on the firm's ownership structure.

Additional control variables were included to account for boards, the firm's features, and the firm's operational/financial risk.

Board_independence exhibited the expected negative sign and was statistically significant at both the 5% and 1% levels. On average, boards with independent members are associated with a reduction in the gender pay gap of 0.12% to 0.19%. Also, *Board_dimension* displayed the expected negative sign and was statistically significant at the 1% level. On average, larger boards are associated with a reduction in the gender pay gap of 0.20% to 0.25%.

The *firm_age* had the anticipated negative sign but was not statistically significant, while the size of the firm is proxied by the *firm_total_assets*, which also showed the expected negative sign, though it too was not significant.

Then, the coefficients for firm operational and financial risk, *EBITDA*, *ROA*, and *Leverage*, showed unexpected positive signs, but they were not statistically significant.

Lastly, the *ESG_score*, with the expected negative sign, was statistically significant at the 1% level. On average, higher ESG score performance is associated with a reduction in the gender pay gap of 0.31% to 0.43%, all else being equal.

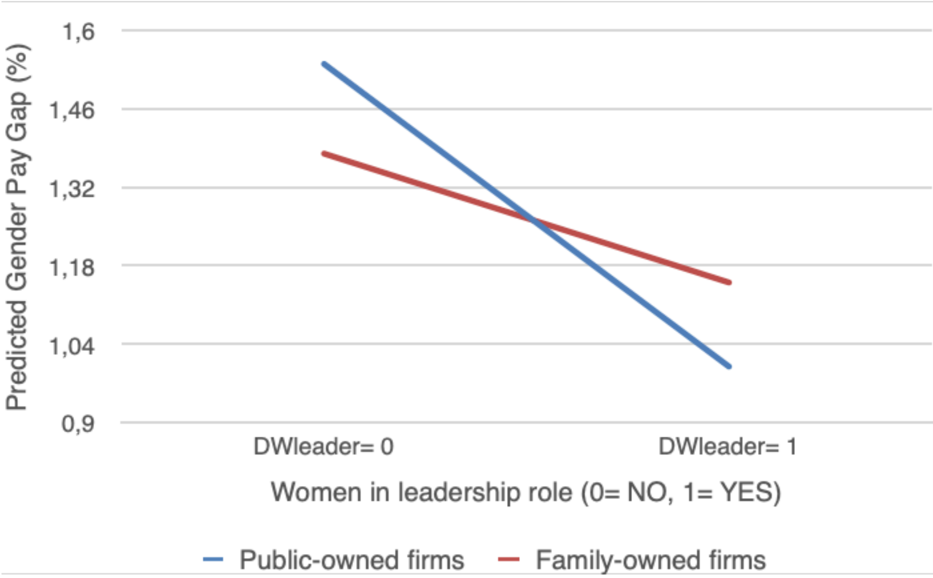
Table 4. Main estimated results with High Dimensional Fixed Effects (HDFE)

GP_gap (%)	(1)	(2)	(3)	(4)	(5)	(6)
DWLeader	-0.38**	-0.37**	-0.36**	-0.38*	-0.32***	-0.29***
	(0.18)	(0.18)	(0.16)	(0.19)	(0.05)	(0.03)
Public_ownership		-0.29***	-0.26***			
		(0.09)	(0.09)			
DWLeader × Public_own			-0.18***			
			(0.02)			
Family_ownership					0.21	0.18***
					(0.13)	(0.02)
DWLeader × Family_own						0.13***
						(0.03)
Board_independence	-0.12**	-0.12**	-0.11***	-0.20***	-0.18***	-0.11**
	(0.06)	(0.05)	(0.04)	(0.03)	(0.03)	(0.05)
Board_dimension	-0.35	-0.32	-0.28***	-0.26***	-0.21***	-0.20***
	(0.53)	(0.54)	(0.04)	(0.06)	(0.05)	(0.05)
Firm_age		-0.29***	-0.26***		-0.19	-0.18***
		(0.09)	(0.09)		(0.29)	(0.02)
Firm_total_assets		-0.01	-0.03		-0.01	-0.06
		(0.00)	(0.00)		(0.02)	(0.03)
EBITDA	0.03	0.03	0.02	0.01	0.01	0.00
	(0.04)	(0.04)	(0.04)	(0.04)	(0.00)	(0.00)
ROA	0.14	0.17	0.18	0.14	0.10	0.08
	(0.14)	(0.15)	(0.18)	(0.13)	(0.10)	(0.08)
Leverage	0.33	0.12	0.27	0.13	0.11	0.12
	(2.03)	(2.09)	(2.29)	(0.12)	(0.17)	(0.02)
ESG_score	0.01	0.00	-0.43***	0.00	0.00	-0.32***
	(0.02)	(0.02)	(0.01)	(0.02)	(0.02)	(0.04)
Constant	0.91***	1.53***	1.54***	0.91***	1.33***	1.38***
	(0.06)	(0.10)	(0.11)	(0.06)	(0.05)	(0.11)
Firm Effects	YES	YES	YES	YES	YES	YES
Region Effects	YES	YES	YES	YES	YES	YES
Year Effects	YES	YES	YES	YES	YES	YES
Firm × Year Effects	YES	YES	YES	YES	YES	YES
Region × Year Effects	YES	YES	YES	YES	YES	YES
Firms (ID)	75	75	75	75	75	75
Observations	1,050	1,050	1,050	1,050	1,050	1,050
R-squared	0.91	0.92	0.92	0.91	0.92	0.92

Source: Authors' elaboration.

Notes: The dependent variable of the gender pay gap is expressed as a percentage (%). * p<0.05, ** p<0.01, *** p<0.001. All estimates include firm, country, and year fixed effects and related interactions.

Figure 6. *The effect of women's leadership and ownership on the gender pay gap (%)*



Source: Authors' elaboration.

Note: The figure illustrates the interaction effects between female leadership (DWLeader) and ownership structures on the gender pay gap. Predicted values are derived from Models (3) and (6) in Table 3, holding other covariates at their sample means.

4.2 Robustness Check

To ensure the robustness of the main findings, the analysis was extended using the one-step System Generalized Method of Moments (System GMM) estimator, as developed by Arellano and Bover (1995) and Blundell and Bond (1998), which accounts for potential endogeneity, firm-specific heterogeneity, and the dynamic nature of the gender pay gap. Table 5 reports the estimated coefficients. Across all specifications (Models 7–12), the lagged dependent variable (GP_GAP_{t-1}) is positive and statistically significant at the 1% level, with coefficients ranging from 0.68 to 0.80. This result confirms the strong persistence of gender pay disparities over time within firms.

The coefficient of *DWLeader* is consistently negative across specifications. It is statistically significant at the 10% level in Model (7) and at the 5% level in Models (8), (9), (11), and (12), with the strongest effect in Model (12). This reinforces the idea that women's leadership is associated with a narrowing of the gender pay gap.

In terms of ownership structure, *public_ownership* displays mixed effects: it is statistically insignificant in Models (7) and (8), but in Model (9), it becomes negative and significant at the 5% level, suggesting a modest but meaningful influence when controls are fully included. More notably, the interaction term between *DWLeader* × *public_ownership* is large, negative, and statistically significant at the 1% level in Model (9), indicating that women's leadership in public-owned firms is particularly effective in reducing the gender pay gap.

Conversely, *family_ownership* shows a positive and weakly significant association with the gender pay gap in Model (10) (0.79, $p < 0.10$), but it becomes insignificant in Models (11) and (12). The interaction term *DWLeader* × family_ownership in Model (12) is positive (1.14) but statistically insignificant, suggesting that female leadership may not exert the same influence in family-owned firms, possibly due to more traditional or opaque governance norms.

Among board-related controls, *board_independence* consistently shows a negative relationship with the gender pay gap, although statistical significance is only reached at the 10% level in Model (8). This suggests that the independence of the board may modestly enhance gender equity. In contrast, *board_dimension* exhibits a robust and significant negative effect across all models, with coefficients ranging from -0.05 to -0.09 and significance at the 5% or 1% level. Larger boards may be more diverse and better positioned to enforce pay transparency and equity norms.

Regarding firm characteristics, *firm_age* is positive but statistically insignificant in all models. *firm_total_assets*, a proxy for firm size, is consistently positive and highly significant at the 1% level in Models (8), (9), (11), and (12), indicating that larger firms tend to have a wider gender pay gap, potentially due to more complex compensation structures.

For the firm's operational features, *EBITDA* and *ROA* are positive in Models (9) and (12), but statistically insignificant, suggesting that firm profitability does not systematically explain pay differentials. Leverage, however, is significantly positive and highly significant in both models where it is included (Models 9 and 12), with coefficients around 2.96 and 2.77, respectively, implying that more indebted firms may exhibit less equitable pay practices, possibly due to cost constraints. Importantly, *ESG_score* has a negative and statistically significant effect at the 10% level in Models (9) (-1.22) and (12), underscoring the role of sustainability-oriented firms in advancing gender equity.

The diagnostic tests reported at the bottom of Table 5 confirm the appropriateness of the System GMM specification. The AR(1) test shows expected first-order autocorrelation in differenced residuals (p-values < 0.05), while the AR(2) test fails to reject the null hypothesis of no second-order correlation ($p > 0.6$ in all models), confirming model consistency. The Hansen test p-values (ranging from 0.082 to 0.204) suggest that the instruments used are valid and not overidentified. Collectively, these results support the robustness of the main conclusions and confirm the stability of the estimated relationships across alternative dynamic specifications.

Table 5. *Estimated results with one-step System GMM*

GP_gap (%)	(7)	(8)	(9)	(10)	(11)	(12)
Lagged GP_gap (t–1)	0.71***	0.69***	0.68***	0.80***	0.75***	0.77***
	(0.09)	(0.09)	(0.09)	(0.10)	(0.11)	(0.10)
DWLeader	-1.35*	-1.91**	-1.15*	-1.06	-1.65**	-2.32**
	(0.74)	(0.76)	(0.59)	(0.64)	(0.68)	(1.12)
Public_ownership	0.90	0.39	-.051**			
	(0.61)	(0.53)	(0.02)			
DWLeader × Public_own			-2.77***			
			(0.58)			
Family_ownership				0.79*	-0.38	0.00
				(0.47)	(0.45)	(0.47)
DWLeader × Family_own						1.14
						(1.15)
Board_independence	-0.62	-0.79*	-0.71	-0.49	-0.69	-0.58
	(0.52)	(0.48)	(0.50)	(0.44)	(0.43)	(0.44)
Board_dimension	-0.06**	-0.08***	-0.09***	-0.05**	-0.08***	-0.08***
	(0.03)	(0.02)	(0.03)	(0.02)	(0.02)	(0.02)
Firm_age		0.01	0.02		0.01	0.01
		(0.04)	(0.05)		(0.04)	(0.04)
Firm_total_assets		0.02***	0.02***		0.03***	0.04***
		(0.01)	(0.01)		(0.01)	(0.01)
EBITDA			0.02			0.66
			(0.63)			(0.61)
ROA			0.67			1.10
			(0.08)			(0.86)
Leverage			2.96***			2.77***
			(0.89)			(0.87)
ESG_score			-1.22*			-0.79*
			(0.67)			(0.48)
Constant	28.39***	29.89***	32.27***	16.56*	26.44***	18.72**
	(7.84)	(8.16)	(9.33)	(8.86)	(9.72)	(8.85)
Firm Effects	YES	YES	YES	YES	YES	YES
Region Effects	YES	YES	YES	YES	YES	YES
Year Effects	YES	YES	YES	YES	YES	YES
Firm × Year Effects	YES	YES	YES	YES	YES	YES
Region × Year Effects	YES	YES	YES	YES	YES	YES
Observations	975	975	975	975	975	975
AR(1) p-value	0.012	0.015	0.018	0.005	0.011	0.019
AR(2) p-value	0.768	0.806	0.789	0.626	0.678	0.641
Hansen (p-value)	0.185	0.168	0.202	0.157	0.082	0.204
# Instruments	47	51	61	45	49	59
# Groups (Firms)	75	75	75	75	75	75

Notes: $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. All models are estimated using the one-step System GMM estimator. The lagged dependent variable is included to account for the dynamic structure of the gender pay gap. All models include firm, region, and year fixed effects, as well as firm × year and region × year interactions. Endogenous variables are instrumented using appropriate lags of their levels and differences. The Arellano-Bond test for AR(1) in first differences rejects the null hypothesis of no first-order serial correlation, as expected. The AR(2) test fails to reject the null hypothesis of no second-order autocorrelation, supporting model validity. The Hansen J test p-values suggest that the overidentifying restrictions are valid and are not overfitting the model. *Source: Authors' elaboration.*

5. Discussions and Conclusion

The primary objective of this study was to analyze the impact of women's leadership and the interaction between different ownership structures, specifically family and public ownership, on the gender pay gap. Furthermore, the moderating role of female leadership within these ownership contexts was examined. The findings yield three main empirical insights.

First, a negative relationship emerges between women's leadership and the gender pay gap, indicating that greater women's participation on corporate boards contributes to reducing wage inequalities among employees. This evidence aligns with the existing literature, which suggests that the presence of women on boards can positively influence organizational practices, including gender pay equity. Although the immediate financial benefits of women board participation may not always be visible, the inclusion of a significant number of women in senior positions has the potential to profoundly shape corporate culture, strategic decision-making, and remuneration policies, ultimately fostering more equitable and inclusive outcomes (Cook et al., 2018; Biswas et al., 2021). Supporting this view, Segovia-Pérez et al. (2020) provide empirical evidence of the significant role of women's leadership in narrowing the gender pay gap. Similar conclusions are drawn by Bell (2005) and Shin (2012), who highlight the potential impact of female leadership on fostering a culture of pay equity.

Second, the analysis reveals differentiated effects of ownership structures on the gender pay gap. Consistent with the findings of Homroy and Mukherjee (2021), publicly owned enterprises are associated with a reduction in the gender pay gap, suggesting that public incentives and institutional oversight can promote fairer corporate policies. In contrast, family-owned enterprises tend to be linked to wider pay gaps, likely due to entrenched hierarchical structures that hinder progress toward gender equality, as observed by Yanadori et al. (2018).

Third, the study highlights contrasting moderating effects of women's board representation on the gender pay gap depending on the type of ownership. In publicly owned enterprises, an increase in women's presence on board is associated with a reduction in the gender pay gap, confirming the effectiveness of combining public regulation and inclusive leadership to promote gender equity. Conversely, in family-owned firms, even with women on boards, the gender pay gap tends to widen, indicating the persistence of deeply rooted cultural and familial biases that may neutralize the potential benefits of female leadership (Kulich et al., 2007).

Considering these findings, the study contributes to the broader debate on the gender pay gap, underscoring both theoretical and practical implications. From a theoretical perspective, it advances the understanding of how organizational ownership structures interact with gender dynamics to shape pay outcomes. Specifically, it extends prior research by demonstrating that the impact of women's leadership is not uniform across governance models but rather contingent upon the institutional and cultural characteristics of ownership types. This highlights the importance of contextualizing gender equity initiatives within broader corporate governance frameworks. From a practical standpoint, the study highlights the importance of legal and institutional mechanisms that promote women's access to senior roles. Strengthening the equal pay legislation, including the implementation of pay transparency mandates and anti-discrimination regulations in recruitment, promotion, and job assignments, can institutionalize equitable practices and reinforce the positive impact of female leadership on organizational outcomes. Furthermore, publicly owned enterprises should capitalize on their governance structures to embed diversity and equity principles into compensation policies and leadership pipelines. Additionally, governments may consider providing tax incentives or financial support to public firms that demonstrate sustained commitment to gender-equitable practices. Family-owned enterprises, however, should formalize compensation frameworks, promote transparent decision-making processes, and challenge rooted gender biases. Policymakers could support these efforts by offering targeted incentives to firms that implement inclusive CSR policies and demonstrate progress in promoting women's career advancement (Carlin et al., 2018; Heisler, 2021).

In addition, the promotion of sustainable cultural practices, such as public awareness campaigns and investments in educational programs for women, can facilitate access to traditionally male-dominated sectors, especially those related to STEM (Science, Technology, Engineering, and Mathematics), thereby contributing effectively to reducing the gender pay gap.

While this study offers valuable understanding, it is not without limitations. First, the study focuses on the ICT sector. Although this sector is particularly relevant due to its historically male-dominated workforce and innovation-driven environment, the findings may not be generalizable to other industries. Comparative studies across industries would be valuable for assessing whether the observed relationships hold across diverse organizational and cultural contexts. Second, the study does not account for broader institutional and cultural contexts that may influence gender pay disparities. Factors such as national legislation on pay transparency, cultural attitudes toward gender roles, and labor market regulation can significantly shape both firm behavior and gender norms. Future research could adopt a comparative cross-national approach, integrating institutional theory to examine how macro-level conditions moderate the relationships observed in this study. Third, the work is grounded in empirical analyses that may not fully capture the underlying processes and organizational dynamics that shape gender pay disparities. Future research could adopt a qualitative methodology for enriching and contextualizing the findings of this quantitative study.

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BOOK REVIEW

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BOOK REVIEW:

BOOK REVIEW: CULTURAL HERITAGE AS A TRIGGER FOR CIVIC WEALTH CREATION AND SUSTAINABLE URBAN DEVELOPMENT, BY SELENA AURELI, MARA DEL BALDO, PAOLA DEMARTINI, MARTIN PIBER, ROMA TRE E-PRESS, ROME, 2023

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Abstract

This review explores the volume Cultural Heritage as a Trigger for Civic Wealth Creation and Sustainable Urban Development, edited by Aureli, Del Baldo, Demartini, and Piber. As part of the Corporate Governance and Business Sector Scenarios series, the book examines how cultural heritage can become a strategic resource for civic wealth and local sustainable development. Structured around three themes—governance, stakeholder engagement, and impact reporting—it presents qualitative case studies of cultural entrepreneurial initiatives: La Paranza cooperative in Naples, the Container Garden in Turin, and the Terre degli Uffizi initiative in Tuscany. The final section focuses on tailored methodologies for evaluating cultural impacts. Emphasizing inclusive governance, local alliances, and social value, the volume offers timely insights for researchers and practitioners interested in cultural management, and community-based development.

Review

The volume I am recommending to the readers of the Journal Piccola Impresa/Small Business written by Selena Aureli (University of Bologna), Mara Del Baldo (University of Urbino), Paola Demartini (Roma Tre University), and Martin Piber (Universität Innsbruck) in the series Corporate Governance and Busi*ness Sector Scenarios. Emerging Issues*, published by Roma Tre Press. This series explores emerging themes in corporate governance, with a specific focus on the Italian context from a comparative perspective, including governance in cultural and creative enterprises aiming at valorising Italian Cultural Heritage. The volume is the first publication linked to the CHANGES project (*Cultural Heritage Active Innovation for Next-Gen Sustainable Society*), funded by the NextGenerationEU initiative. The central focus of the book is to explore the role of Cultural Heritage as a driver for *Civic Wealth Creation* (CWC) and for sustainable urban and rural development. The editors and authors intend to advance the discussion from a managerial perspective by investigating how CH can become more accessible, better managed, and preserved, while analysing governance systems for CWC, dialogue among public officers, citizens and communities, and cultural organizations.

The book is structured around three interconnected research themes:

1. Governance of cultural heritage as a driver for CWC;
2. Sustainable urban and rural development through stakeholder engagement, collaboration, and alliances;
3. Reporting and measurement of expected and achieved impacts of cultural initiatives and interventions.

The first theme explores how innovative and inclusive governance models can transform cultural heritage into a catalyst for civic wealth and community regeneration. The key case study is that of the social cooperative *La Paranza* in the Sanità district of Naples, authored by Raffaele Fiorentino, Loris Landriani, Alessandra Lardo, and Stefano Marciano. Using a qualitative approach based on interviews, corporate reports, and secondary sources, the authors analyse an initiative led by a group of local youth—supported by a local priest, professionals, and a funding entity (*Fondazione con il Sud*)—that led to the enhancement of the *Catacombs of San Gennaro*. The novelty of this study lies in treating cultural assets not merely as objects of restoration but as a *new category of commons* capable of triggering the regeneration of places and, more importantly, of people, thus generating civic wealth. The research emphasizes the importance of an inclusive and democratic governance model, initially characterized by a bottom-up approach. However, external leadership and financial support (from actors such as L'Altra Napoli Onlus) were crucial. L'Altra Napoli Onlus played an incubator role by providing legal and economic expertise and facilitating access to funding. The centrality of *human resources*—people—as a core output of regeneration and civic value creation processes is highlighted. This study addresses the research questions concerning how governance models of CH can foster CWC and enhance access and management. This case is highly relevant as it showcases a successful initiative born from a group of youth in a disadvantaged area, exemplifying local social entrepreneurship and cooperative development. The cooperative has provided stable employment for residents (approximately 40 employees, 80% from the area), showing how CH can be leveraged for micro and community-level socio-economic development. The emphasis on participatory governance offers valuable insights into hybrid organizational forms common in the sector. While the limitations of a single-case study are acknowledged, the insights into community-led regeneration dynamics are profound and valuable. Building on this, the contribution by Aureli, Del Baldo, and Demartini, titled "The role of the municipality in a UNESCO site", explores how a local government can boost civic wealth creation. The municipality acted as an orchestrator, fostering stakeholder participation, collaborative innovation, and resource mobilization. This extends Lumpkin and Bacq's (2019) framework on CWC by showing how CH governance can support the creation of common goods through coordinated public action.

The second theme focuses on the role of stakeholder collaboration, local alliances, and participatory practices in fostering sustainable development in both urban and rural settings. Two relevant case studies are presented.

The first, by Laura Corazza, Daniel Torchia, Chiara Certomà, Dario Cottafava, Federico Cuomo, Luca Battisti, and Jacopo Fresta, analyses *"L'orto della SME"*, a container garden, which operates as a self-governed space (Fournier, 2002) and a collaborative hub involving students, academics, seniors, and gardeners. Among the studies related to the *New European Bauhaus*, this autoethnographic and exploratory qualitative research shows how low-cost green spaces can foster social cohesion, sustainable production, intergenerational knowledge transfer and bottom-up community engagement.

The second study, by Elena Borin and Fabio Donato, explores urban-rural cultural heritage alliances for regional sustainable development. Using a qualitative case study with data triangulation, they examine *"Terre degli Uffizi"*, a project promoted by the Uffizi Galleries and the CR Firenze Foundation with support from the Tuscany Region. The initiative intends to bring attention to minor museums making cultural heritage more accessible to diverse audiences. The success of this initiative is attributed to its flexibility and delegation of key roles to local actors, supporting the creation of a distributed cultural ecosystem. The project aims to increase local identity and participation alongside cultural tourism. The Uffizi case shows how top-down strategies can effectively engage local communities and small cultural organizations, creating positive synergies. The flexible top-down models interacting with bottom-up empowerment are essential for understanding the dynamics of local entrepreneurship and development. All these cases demonstrate how small-scale, participatory initiatives—even within large institutions—can generate significant social inclusion and cohesion.

The third theme addresses the challenges and opportunities of evaluating and reporting the social, cultural, and economic impacts of cultural heritage initiatives. The first contribution, by Michael Habersam and Martin Piber, analyzes participation in the European Capitals of Culture (ECoC), specifically *Valletta 2018* and *Matera 2019*. Through qualitative case studies based on interviews and documents, the authors find that participation models are shaped by political and organizational contexts. While measurable impacts like tourism growth are evident, intangible effects—identity, civic pride, skills development—are harder to quantify but closely tied to high-quality active participation.

The second contribution, by Mauro Baioni, Alessandro Bollo, Annalisa Cicerchia, Paola Demartini, Lucia Marchegiani, Flavia Marucci, and Michela Marchiori, presents the *SoPHIA* model (*Social Platform for Holistic Heritage Impact Assessment*, H2020 project). The model is based on multidimensional impact domains (e.g., social capital/governance, quality of life, work and prosperity, education/innovation and protection), stakeholder engagement, and longitudinal perspectives. A pilot application to *Polo del '900* in Turin demonstrates the SoPHIA's potential to map cultural impacts and support dialogic accounting. Impact measurement and reporting are crucial for small cultural and social initiatives with multi-dimensional goals and the SoPHIA model provides a structured framework for assessing civic and social value, going beyond financial performance.

The volume *Cultural Heritage as a Trigger for Civic Wealth Creation and Sustainable Urban Development* offers a comprehensive and multi-perspective analysis of how CH can be used as a strategic lever for sustainable development and CWC. Through qualitative case studies, it presents a wide range of practical examples and insights into governance, participation, collaboration, and impact measurement in urban and rural cultural contexts. Its focus on grassroots initiatives (*La Paranza*, *L'orto della SME*), stakeholder engagement, participatory governance challenges (ECoCs, Urbino), and new accountability tools (SoPHIA) makes it highly relevant for researchers and practitioners interested in small enterprises, social entrepreneurship, and territorially embedded organizations. The book conceptualizes cultural heritage not merely as an object of preservation, but as a strategic resource for socio-economic regeneration—particularly relevant for historic urban centres and rural areas confronting depopulation, economic decline, and social fragmentation.

In conclusion, this volume makes a significant contribution to academic discourse at the intersection of management, CH enhancement and local development. It offers practical insights and analytical models of great value to those working—or studying—in contexts defined by small scale, strong local roots, and goals extending beyond profit. It is, therefore, a highly recommended read for the *Piccola Impresa/Small Business* scholarly community.

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