Motto

“*It is hard to explore what happens when people behave with a purpose without becoming curious, even concerned, about how well or how badly the outcome serves the purpose.*”

T.C. Shelling, 1978
Content of paper presentation

- Short introduction
- A selection of evidence on the level of the organisations
  - effectiveness
  - efficiency
- Influence of institutional agents
- Explanation bureau economy
- Explanation institutional field

Effectiveness

- Investment policy and market
- Public task BBSH:
  - financial survival
  - qualitative requirements
  - priority to target groups
  - meeting local differences
- Connection to civil society
Efficiency

- Trend of rising cost
- Diseconomy of scale
- Ongoing process of mergers
- Inadequate accounting of costs
- Exceeding purchasing prices

Institutional agents

- Confusing policy of government:
  - ambiguous objectives
  - contradictory measures
- Aedes sector organisation:
  - incentive compensation Izeboud
  - transfer inefficiencies of pension fund
- CFV and WSW:
  - perceived invulnerability to bankruptcy
  - buffer to discipline of financial market
Economic suboptimisation

optimum difficult to determine because of multiple objectives

organisational inefficiency use of non-critical environment as occasion to slack

market inefficiency reduction of surplus and use of market power

suboptimisation

Institutional field

Institutional field:
- Each Other peers & rivals

Working field:
- Customers Society

SELF
Ego

OTHER
Institutional field: Each Other peers & rivals

Organization

Task

18-09-2009 Rik Koolma
Discussion

- From 2002 (data set) to 2009
- Threats to future of corporations
- Similarities in other sectors
- Cause of problems?
  - Hybrid position
  - General organisational disorders
  - Lacking curiosity in evidence
  - No purposive change