

Achieving Public Value in Universities Through Knowledge Management: The Need of Rationalization Regarding Investee Companies

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Abstract: International literature deeply investigates the contribution of Knowledge Management in the process of cost rationalization in public universities to achieve public value through performance management strategies. What emerges is a literature gap in relation to specific analysis concerning the impact of the "rationalization" of the companies owned by public universities and the sustainability of the investments made in universities especially during a "pandemic period". This work, through a qualitative analysis of the planning documents provided by Italian universities on the subject regarding "*rationalization of investee companies*", aims to highlight the contribution of knowledge management on internal planning on the rationalization processes put in place by universities with a focus on the "Accountability during emergencies". The analysis we conducted will show how the rationalization objective is nowadays far from being considered efficient due to a lack in "Knowledge management" approach despite a "Strictly bureaucratic" system that does not guarantee the achievement of public value and at least, contribute do the destruction of it.

Keywords: Universities Performance, Public Value, rationalization

1. Introduction

The measurement of university performance is increasingly common within universities, driven probably by the rise of New Public Management (NPM). Although changing over time and varying from country to country, NPM involves the use of private sector methods in the public sector. Traditionally, performance measurement in universities has had a developmental role – helping individuals to improve their (future) performances. This paper aims to conduct a preliminary study on Italian Universities considering an innovative aspect of performance evaluating the capability to plan a proper strategy of rationalizing costs within private companies and start-ups that are both owned or controlled (Higgins, 1989, Alach, 2017, Kirsi-Mari Kallio et. al, 2017; Grossi, 2020).

As a matter of fact, starting from 2013 the Italian legislator introduced a new tool for rationalize costs in the public sector: the "rationalizing costs plans" that is basically a document in which public bodies describe their assets and plan a strategy of costs rationalization in the long run.

As suggested by part of the literature, the quality of planning is crucial to the achievement of public value vis a vis it should create many difficulties while introducing new aspects that are proper of the private sector.

In this paper we focus on the quality of the "rationalizing costs plans" for public universities and how they are trying to achieve public value showing that even with the enormous efforts conducted, the planning suffers of a lack of Knowledge caused by an extreme "bureaucratization" of internal procedures.

As will be seen, both practice and literature highlight a common aspect: the bureaucratization of planning, control, and evaluation cycle of the rationalization results.

This limit is to be found (Guarini et. Al; 2018) where: "*the structure of the system of programming, control, and evaluation of results in public administrations is strongly influenced by legal regulations*" which are often interpreted regardless of the cognitive needs regarding management and administrators determining "bureaucratic economic systems without decision-making utility" (Guarini et. al, 2018).

The issue of the rationalization of public spending and the consequent reorganization of the companies owned by local authorities has been the subject of a massive regulatory reorganization, which is seen in the "Spending Review" by prof. Carlo Cottarelli, appointed in 2013 "Extraordinary Commissioner for the Revision of Italian Public Expenditure", marking the starting point of the reform process.

At the same time as the process of "rationalization" of public spending, "the subsidiaries, controlled, connected or otherwise financed by public administrations", had to meet the request by the European Union for "Transparency" in a logic of prevention with respect the onset of corruption and "maladministration" (ANAC, 2013).

Integrity of the local authority has found its operational declination through the preparation, by universities, of the so-called "Three-year plan for the prevention of corruption and transparency - PTPCT": an autonomous "internal control system" on which the controls on "investee companies, subsidiaries, associates or financed by universities" must also be included (ANAC, 2013).

So, on the one hand, the will of the legislator to "rationalize" public spending is linking with transparency. On the other hand, even Italian public universities "undergo the reform process" and the consequent "compliance burden" standing far from the logic of knowledge management.

Thus this paper will provide a first theoretical contribution aimed at bridging the gap in the literature in terms of "achievement of public value through rationalization logics" showing how Italian universities are far from adopting knowledge logics of Management in rationalization processes (Deidda Gagliardo, 2012; Ziruolo, 2013; Bigoni et. Al, 2021).

2. The reference regulatory context and the need to rationalize university spending

The rationalization of the investee companies consists in analyzing the structure of joint-stock companies in which the entity holds a direct or indirect shareholding (by an indirect company we mean a shareholding held through a company in which the entity has the control).

The analysis must be carried out in reference to the "investee companies held as at 31.12 of the previous year" to the one in which it is carried out and must be conducted by taking priority as a reference the criteria provided for by c. 2 of art. 20 of the "Consolidated Law on Investee Companies – TUSP" according to Legislative Decree 175/2016:

- company investments that do not fall into any of the categories allowed by the TUSP;
- companies that have no employees or have a number of directors higher than the number of employees;
- equity investments in companies that carry out activities similar or similar to those carried out by other investee companies or by instrumental public bodies;
- equity investments in companies which, in the previous three years, have achieved an average turnover not exceeding one million euros;
- equity investments in companies other than those set up for the management of a service of general interest that have produced a negative result for four of the five previous years;
- need to contain operating costs;
- need for company aggregation.

These requirements, where found, lead the body to prepare the so-called "rationalization plan" containing the actions that are intended to be adopted within the following year.

As anticipated in the introduction, even before the TUSP, the Italian universities were subject to a logic of rationalization of the investee companies, in compliance with the provisions of Law 190/2014 (2015 Stability Law) which "to ensure coordination of public finance, the containment of expenditure, the good performance of administrative action and the protection of competition and the market "established that public bodies (including universities), starting from 1 January 2015, had to start processes to rationalize companies and of the 2 company shareholdings directly or indirectly held to achieve their reduction by 31 December 2015 regarding:

1. elimination of companies and shareholdings not indispensable for the pursuit of their institutional purposes, including through liquidation or sale;

2. suppression of companies that are composed only of directors or by a number of directors greater than the number of employees;
3. elimination of equity investments held in companies that carry out activities similar or similar to those carried out by other investee companies or by instrumental public bodies, including through a merger or internationalization of functions;
4. aggregations of local public service companies of economic importance;
5. containment of operating costs, also through the reorganization of the administrative and control bodies and company structures, as well as through the reduction of the related remuneration.

If we consider specifically for “Universities”, the “traditional two functions of teaching and research” are flanked by the so-called “Third mission” or “terza Missione”.

“Third mission” is the “set of activities in support of young graduates in the phase of entry into the labor market along with research enhancement” vis a vis with the creation of spin-offs and university research centers.

The achievement of the “third mission” is interconnected with the ability of universities to “network” with the territory by undertaking or consolidating relationships with external entities (public or private) through the signing of agreements or joining consortia and companies.

Therefore, once the rationalization criteria have been defined, in 2015 the Italian universities adopted the first “Operational plan for Shareholding rationalization “ following the criteria shown in table 1.

Table 1: Rationalization criteria introduced with the TUSP and integrated with those envisaged by the 2016 Finance Act

RATIONALIZATION CRITERIA	NORMATIVE REFERENCE
Aims	investments only in companies strictly necessary for the pursuit of their institutional purposes (Article 1, paragraph 611, Law No. 190/2014; Article 4, paragraph 1, Legislative Decree No. 175/2016)
Number of employees	equity investments in companies without employees or companies in which the number of directors is greater than the number of employees (Article 1, paragraph 611, Law No. 190/2014; Article 20, paragraph 2 b) d. lgs. 175/2016).
Performed activity	equity investments held in companies that carry out activities similar to those carried out by other investee companies or by instrumental public bodies (art. 1, c. 611, l. n. 190/2014; art. 20, c. 2 c) d. lgs. 175/2016).
Revenue	equity investments in companies which, in the previous three years, have achieved an average turnover not exceeding one million euros (art. 20, c. 2 d) d. lgs. 175/2016).
Operating result	equity investments in companies other than those set up for the management of a general interest service that have produced a negative result for four of the five previous years (art. 20, paragraph 2 e) d. lgs. 175/2016).
Management costs	need to contain operating costs (art. 20, paragraph 2 f) d. lgs. 175/2016).
Aggregation	need for aggregation of companies having as their objective the activities permitted under Article 4 of Legislative Decree 175/2016 (Article 20, paragraph 2 g) d. lgs. 175/2016)

Moreover, Italian universities underlie the logic of “transparency” as “total accessibility of data and documents held by public administrations, to protect the rights of citizens, promote the participation of interested parties in administrative activities and encourage widespread forms of control over the pursuit of institutional functions and the use of public resources “(ANAC, 2013).

This provision is implemented as a measure to prevent corruption with the “2013 National Anti-Corruption Plan”, through which the National Anti-Corruption Authority (ANAC, 2019) has identified administrative transparency as one of the essential and therefore mandatory measures functional to the preservation of integrity in the scope of the local authority.

So, Italian Universities guarantee transparency through the publication on the institutional websites of the “rationalization plans”.

3. The rationalization of investee companies as a tool for creating public value: analysis of the literature

Mark Moore (1995) is probably the first author who defines public value as “as an organizational principle in a public sector organization” providing a focus in the context in which individual employees are free to pursue and propose new ideas on how to improve the functioning of the organization, in terms of efficiency or services.

In his work, Moore considers public value as the “result of assessments of how the primary needs of individuals, groups, and society as a whole are affected in relationships involving the public”, also considering the public as an operational fiction indispensable of society.

M. Moore also believes that any impact on the shared experience on the quality of the relationship between the individual and society can be described as the creation of public value, finally concluding that “the creation of public value lies in the relationships between the individual and society, founded in individuals, consisting of subjective assessments concerning primary needs, activated and realized in emotional-motivational states, and produced and reproduced in experiential practices”.

Furthermore, M. Moore creates a link between the creation of public value and the ability of a firm to create capital gains: “The definition that remains identifies managerial success in the public sector with the start-up and remodeling of public sector enterprises in ways that increase its value to the public both in the short and long term”.

According to this framework, public organizations seeking to use public value as a principle must create a corporate culture in which the pursuit of public values by employees is rewarded as well as the pursuit of shareholder value is rewarded in private companies.

The evolution of literature has, over time, perfected the definition formulated by Mark Moore. Among the most cited in the literature, we find that of Talbot (2006) who defines the public value (or capital of public value) as the “combined view of the public on what it considers precious”. Bozeman (2007) contributes to the literature by defining public values as “Those who provide a normative consensus on the rights, benefits, and prerogatives to which citizens should (and should not) be entitled, the obligations of citizens to society, the state and others, and the principles on which governments and policies should be based”.

In recent years, the theme of public value has been taken up by numerous authors (Ziruolo, 2016; Deidda Gagliardo, 2002, 2015; Borgonovi & Mussari, 1996, 2011; Rebora 1999, pp. 108, 110; Anselmi, 2014). The national literature sees with Deidda Gagliardo (2015) the redefinition of public value as “a balanced value and at the same time aimed at satisfying the final needs of the reference community and the functional needs of the institution” concluding that “public sector creates public value managing financial resources, functionally improving intangibles to meet social needs and strengthen the economic growth of a community”.

This definition, the most cited in the national scientific literature, includes the classic concepts of efficiency, effectiveness, and economy and aims to “reconcile the business logic of evaluation of the administrative activity with a more general evaluation of the effective capacity of the entity that pursues institutional purposes” (Ziruolo, 2016; Valotti, 2000, pp. 50–51 😊). This definition also aims at achieving the so-called “Corporate Public Value” pursued through operational programs (Operational VP) and strategic programs (Strategic VP), contributing to the creation of the so-called “Institutional Public Value”.

Public Institutional Value (Rebora 1999, p. 47; Del bene, 2009, pp. 96–98) takes place when the operational and strategic programs carry out the institutional missions contained in the mandated program. Therefore, to increase the probability of creating Public Value and reduce the risk of its consumption and destruction, the PA must be conducted according to appropriate governance models and boosted by a KM approach.

In this sense, KM deeply impact this framework as previously investigated by some authors. On one side, some authors (Mohayidin et. al., 2007) reveal that KM system requires every academician to practice appropriate

management of knowledge in his or her teaching and learning activities, which includes, generating, acquiring, storing and disseminating knowledge effectively to users of knowledge, especially students. Moreover, other authors indicate KM as the key factor to boost a public service reform and consider it as a boosting driver to achieve public value (Pan and Scarbrough, 1999) that can be achieved only with the rationalization of internal costs through a KM approach of internal procedures.

Therefore, to guide towards the generation of value, governance models must be based on planning, control, and evaluation logic due to permit KM to be effective on boosting internal procedures (Newman et. al.,1999).

Regarding this point authors such as Metaxiotis et. al. (2003) indicates the “right way to make KM effective on Public Services” considering the rationalization of internal procedures to reduce internal costs can be effective only if a public reform comes out and is accepted by citizens and public utilities along with local governments.

To achieve public value through KM it is necessary to plan adequately the objectives to be achieved then clarify paths to be followed, the resources to be used and carefully check the results achieved, the paths followed, the resources used (Wickramasinghe, 2002).

Finally, consciously, and objectively assess the individual (executive and managerial) and organizational (operational and strategic) contributions to the creation of Public Value, rewarding the positive ones and sanctioning and/or correcting the negative ones. All this with the goal of satisfying the needs of users, stakeholders, and all citizens of the reference territories (Deidda Gagliardo, 2015).

The relationship between planning and creation of public value can be analyzed through the identification of performance indicators or KPIs repeatedly referred to in the most cited academic literature based on Scopus on the subject of “rational planning and creation of public value in the local authority” and indicated below (Table 2).

Table 2: Literature KPI’s

Item	Authors	Numerosity
Formality	Ansoff et al. 1970; Gershefski 1970; Thune & House 1970; Herold 1972; Rue & Fulmer 1973; Grinyer and Norburn 1975;Karger & Malik 1975;Burt 1978;Wood & Laforge 1979;Kudla 1982; Robinson & Littlejohn 1981; Sapp & Seiler 1981; Jones 1982; Kudla & Cesta 1982; Robinson 1982; Robinson & Pearce 1983; Acklesberg & Arlow 1985; Orpen 1985;;Bracker & Pearson 1986;Rhyne 1986; Capon et al. 1987; Gable and Topol 1987; Pearce et al. 1987; Bracker et al. 1988; Cragg and King 1988;Odom and Boxx 1988; Shrader et al. 1989; Kukalis, 1991; Powell, 1992; Veliyath & Shortell 1993; Capon et al. 1994; McKiernan & Morris 1994; Priem et al. 1995; Powell 1994; Hopkins & Hopkins 1997;Slevin & Covin 1997; Boyne, 2001; Zhang et. al. 2019	38
Completeness	Ansoff et al. 1970; Gershefski 1970; Thune & House 1970; Herold 1972; Grinyer and Norburn 1975;Burt 1978; Kudla 1980; Klein 1981; Robinson & Littlejohn 1981; Sapp & Seiler 1981; Kudla & Cesta 1982; Robinson 1982; Acklesberg & Arlow 1985; Orpen 1985;Bracker & Pearson 1986;Ramanujam et al. 1986; Capon et al. 1987; Gable and Topol 1987; Pearce et al. 1987; Bracker et al. 1988;Odom and Boxx 1988;Frederickson & Iaquanto 1989; Shrader et al. 1989; Powell, 1992; Glick et al. 1993; Veliyath & Shortell 1993; Capon et al. 1994; McKiernan & Morris 1994; Priem et al. 1995; Powell 1994; Goll & Rasheed 1997;Slevin & Covin 1997	32
Intensity	Frederickson 1984;Frederickson & Mitchell 1984; Robinson et al. 1984; Orpen 1985;Ramanujam et al. 1986; Capon et al. 1987; Capon et al. 1994; Hopkins & Hopkins 1997;	8
Quality	Leontiades & Tezel 1980;	1

Item	Authors	Numerosity
Comprehensiveness	Wood & Laforge 1979; Robinson 1982; Frederickson 1984; Frederickson & Mitchell 1984; Robinson et al. 1984; Ramanujam et al. 1986; Frederickson & laquanto 1989; Kukalis, 1991;	8
Commitment	Leontiades & Tezel 1980 ; Orpen 1985 ;Ramanujam et al. 1986 ; Rhyne 1986 ; Robinson et al. 1986 ; Pearce et al. 1987 ;	6
Implementation	Shrader et al. 1989; Kukalis, 1991; Powell, 1992; Veliyath & Shortell 1993; Capon et al. 1994; McKiernan & Morris 1994;	6
Flexibility	Rue & Fulmer 1973; Karger & Malik 1975; Klein 1981; Sapp & Seiler 1981; Orpen 1985; Whitehead & Gup 1985; Gable and Topol 1987; Kukalis, 1991;	8

This framework analyses eight KPIs (Key performance indicators) as fundamental and essential elements to be considered when preparing a planning document: formality, completeness, intensity, quality, comprehensibility, commitment, Implementation, flexibility.

Formality is the extent to which objectives are explicitly stated and strategies expressed in a written document. This is widely regarded as an essential feature of planning. For example, in the research by Capon et al. (1987, p. 47), “for a company to be classified as one that planned, a physical document had to be prepared, the procedures used are prescribed and the phases of the process are monitored by declining an appropriate intervention plan (calendar)”.

Completeness provides that “where all phases of the planning cycle are undertaken, we can obtain a definition of the desired results, generate alternative strategies, and evaluate their impacts by periodically monitoring the results”.

By completeness, we mean the conjunction of an operational practice to the traditional definitions of “rational decision-making in the public sector” (Leach 1982; Forester 1984).

Intensity is the level of resources committed at each stage of the planning cycle. Ansoff et al. (1970, p. 2) state “the costs of planning are very tangible and often considerable, particularly if top management provides the involvement and support required by an active planning process.”

The “Quality” considers whether each phase of the cycle is according to a satisfactory standard, namely the accuracy of forecasts and the validity of indicators for monitoring results (Leontiades & Tezel, 1980).

Understandability refers to the ability to produce a “comprehensible” planning document to the outside by the subjects interested in the contents to guarantee “supervision and control” by the stakeholders directed towards the published information (Wood & Laforge, 1979).

Completeness is translated into the literature with the answer to the question: “Are all organizational functions included in planning or is coverage selective?” Miller and Cardinal (1994, p. 1651) argue that one of the primary purposes of strategic planning is to help managers integrate and control various parts of a company.

Similar to “Completeness”, “Commitment” can be translated with the research question: is planning taken seriously by the organization’s staff or is it simply a remote ritual that only interests planners? According to Hopkins and Hopkins (1997, p. 637), “planning has no value in and of itself, but only takes on value when busy people energize it.”

Finally, flexibility is seen as the extent to which plans are regularly reviewed and adapted to reflect new circumstances, rather than set up for the entire period covered by the initial version of the plan (Rue & Fulmer 1973; Karger & Malik 1975; Klein 1981; Sapp & Seiler 1981; Orpen 1985; Whitehead & Gup 1985; Gable and Topol 1987; Kukalis, 1991).

4. Methodology

Starting from the theoretical framework described, an analysis was carried out on the Italian “University rationalization plans” to verify the correspondence between what is foreseen in the literature and the actions implemented by the respective universities.

Similarly to what has already been presented by a part of the literature (Della Porta et. Al, 2019), the analysis went on to verify the “quality of programming” in a logic of “rationalization of programming for the achievement of local public value in a logic of knowledge management “.

The analysis was conducted on the rationalization plans published on the University websites of the 67 Italian public universities (MIUR Census, 2021) and regarding the 2015-2020 period, also verifying the transparency of the rationalization process (table 3).

Table 3: Results of the study conducted on the “Rationalization Plan of Italian Universities”

KPI	Plan 2015	Plan 2016	Plan 2017	Plan 2018	Plan 2019	Plan 2020	Plan 2021
<i>Formality</i>	54	54	60	67	67	67	67
<i>Completeness</i>	52	52	58	67	67	67	67
<i>Intensity</i>	52	52	58	67	67	67	67
<i>Quality</i>	47	52	58	67	67	67	67
<i>Comprehensiveness</i>	67	67	67	67	67	67	67
<i>Implementation</i>	67	67	67	67	67	67	67
<i>Flexibility</i>	67	67	67	67	67	67	67
<i>Transparency</i>	52	52	52	67	67	67	67

The individual plans have been clustered according to the indicators identified in the literature (Table 3) to determine the adequacy of the same to the requests of the legislator and the need for cost rationalization common to all universities.

In this regard, some of the literature suggests that where a process of cost rationalization is implemented, it is essential to take into consideration not only the so-called regulatory compliance but also aspects related to the “smart” management of business processes (Van Dooren et. al, 2008).

Therefore, it was verified whether the actions implemented by the Italian universities also respect the logic of Knowledge rationalization of processes (Kukalis, 1991) or whether attention was paid to implementing the actual strategies of only formal adaptation to the requests of the legislator.

International literature agrees that the “*rationalization processes compliance with the Formality is not sufficient to guarantee, in the long term, effective and efficient rationalization strategies*” where not accompanied by a process of total reorganization of the management of business processes.

In this sense, the quality of the rationalization lies in the declination of objectives reducing management costs of services that are achievable and measurable over time.

Furthermore, many authors highlight how the Comprehensiveness, Implementation and Flexibility of intelligent programming processes can only be achieved where the subjects responsible for programming have adequate benchmarks or best practices based on which they can formalize rationalization logics that can be considered intelligent and comparable to each other.

5. Results

What emerges from the analysis conducted is what in the literature is defined as “awareness and management of programming knowledge in an innovative logic of operational management of the operational processes of local authorities” (Vial, 2019).

Part of the literature highlights how the adaptation to what have been the numerous changes to the regulatory sector of reference, the introduction of the TUSP on all, the need for “time” for an adaptation of the management of the processes defined as innovative by local authorities similarly to what happened in local authorities with the introduction of the Single Programming Document (Bartocci and Del Bene, 2019).

In this regard, literature has highlighted how the approach to the service management of organizations has improved over a lapse of time, introducing in operational practice the use of a wide range of tools and systems introduced by information and communication technologies as group support "systems" (Jessup and Valacich 1993).

Therefore, the alignment process of the "Rationalization plans of the companies in which universities are held" has undoubtedly been affected by these variables.

In particular, the introduction of innovative electronic communication tools, designed to support decision-making processes through the analysis of alternatives, negotiation, and "vote" on the choices to be applied (DeSanctis and Gallupe, 1987; Ellis et al 1991) and which characterized the work of the public administration and the internal reorganization in a logic of "Smart Governance", especially with the occurrence of the COVID-19 pandemic event.

In this regard, it should be noted that the analysis conducted showed an alignment of the "Rationalization plans" with the requests formalized by the legislator, directly correlated with the degree of digitization of the operational processes of local universities only starting from 2018 (Miur, 2019).

This phenom linked with literature as local authorities were not ready to take action to the "new" requests of the legislator (Della Porta et. al, 2019).

In this sense, the analysis highlighted how the creation of public value still seems to be linked to logic attributable to "Bureaucratic public management" or limited to the application of specific legal dictates in a purely compliant logic: "*fulfill to function*".

What emerges from the analysis conducted is that in the face of a request for cost rationalization, is that Italian universities had to dedicate four years to formally align themselves with the request of the legislator.

As shown in table 4 all the indicators suggested by the literature are only operationally confirmed since 2018 when, at the state of the art, the Italian universities have all begun to work concretely for the rationalization of investee companies which since 2018 alone have been decreased by 18% per year until 2020.

Until 2018, evident "bureaucratic" errors related to non-compliance with the legislator's request had emerged. One above all is the lack of understanding of university spin-offs in the context of investee companies.

These evaluation errors inevitably led the institutions to change their rationalization strategies during the year and in as many as 14 universities to 7 changes to the design conducted in 2017.

Therefore, the strategic alignment with the operational one occurred exclusively in 2018 when, thanks also to the digitalization of the processes in the administrative offices of the universities and the introduction of typical tools of Knowledge Management such as, for example, the re-engineering of business processes and "introduction of new company software dedicated to the long-term projection of the effectiveness of company rationalization.

It is also evident from the "Transparency" indicator that, until 2018, adequate legal publicity was not given to the rationalization processes carried out by omitting the publication of the rationalization plans in clear contrast with the provisions of both the legislator.

Legal publicity for the rationalization processes carried out by omitting the publication of the rationalization plans not in compliance with Italian transparency law.

Lack of transparency is also considered in the literature as an indicator of inefficiency so, in our case, it contributes to do not achieve public value.

6. Conclusions

This work, starting from the studies conducted (Higgins, 1989, Alach, 2017, Kirsi-Mari Kallio et. al, 2017; Grossi, 2020), retraced the main regulatory interventions aimed at introducing the rationalization of investee companies within Italian universities to achieve public value (Moore, 1995) with a KM approach (Pan and Scarbrough, 1999; Malone, 2002).

The analysis conducted on the rationalization plans concerned all Italian universities, thus including private companies and spinoffs during the period 2015 – 2021. The data was acquired directly from the institutional sites of the state universities under investigation.

Our analysis shows that in front of the efforts made, the process of rationalizing the costs associated with shareholdings that started in 2015 appears to be “performing” exclusively starting from 2018, focusing more on formal rather than substantive aspects and not adequately justifying in what terms the reduction in the number of subsidiaries is directly related to company performance almost confirming what happened in past years in other universities (Mohayidin M. G.,2007).

The reduction of management costs alone is in no way justifiable in the face of an accurate impact analysis of the services provided by the discontinued subsidiaries and as seen, far from a KM organizational learning (Huber, G. P., 1991).

The entire rationalization process was guided solely by compliance with “ministerial protocols” (Table 1) linked to performance indicators applied in a standardized manner by all Italian universities.

Similar cases of standardized rationalization by mere regulatory compliance have shown (Grossi, 2020) how in the long-run universities lose competitiveness (Papi et. al. 2018) while rationalization processes created “ad Hoc” would allow achieving public value.

In conclusion, our analysis would suggest reviewing the entire process of rationalizing the costs associated with university holdings as it seems to be not more than a formal act despite an action aims to create public value.

If from the documentary analysis conducted, there are evident positive economic impacts on the financial statements of Italian universities, international operating practices and much of the literature promote rationalization tools that contribute to the achievement of public value through non-standardization of operating practices.

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