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The PRIMO FORTE Framework for Good Governance in Public, Private and Civic Organisations: An Analysis on Small EU States*

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Abstract:

Purpose: In this article we lay out and discuss a framework proposed by the Public Risk Management Organisation (PRIMO) (<https://www.primo-europe.eu/>) of which the authors are board members and the results of a test on public and private entities of EU small jurisdictions, specifically Malta, Slovenia, Luxembourg, Lithuania, Latvia, Estonia and Cyprus. These are countries within the EU having less than 3 million people population.

Design/methodology/approach: We collected our primary data by using a semi-structured questionnaire and administering it to participants who are working directly or indirectly with entities within these EU states. The questionnaire was structured using the FORTETM acronym as themes, ‘Financial and compliant design’, ‘Object orientation and delivery’, ‘Responsibility and stewardship’, ‘Tools and processes for creation’ and ‘Environmental awareness and interaction’, with 5 statements under each theme to which participants were required to answer using a 5-point Likert-scale ranging from “Strongly Disagree” to “Strongly Agree”. We, however, allowed the participants to open up and discuss each statement and recorded these comments. Some demographic data was also collected as to the type of entity the participants are working with, the level of expertise on governance of the participant and the size of the entity. The quantitative data was subjected to statistical analysis while the results from the open ended question was analysed using the Thematic approach.

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Findings: Factor analysis provided support for the FORTE Good Governance model for both the Private and Public entities, no-matter if they are small or large.

Originality/value: The study provides a better understanding and supports the FORTE Model established by PRIMO-Europe, after approximately 15 years of collecting data on public risks and for the first time tests it on both Private and Public entities, in large and small firms in small EU Jurisdictions. Moreover, this model contributed to the vast literature on models of risk management within organisations, but was not validated empirically for reliability of the factors, and on small jurisdictions. Therefore, the significance and importance of such a study lies firstly on the premise that testing on small countries, can be deemed as small laboratories for more complex politics, regulations and policies of larger countries.

Keywords: Dialogue Framework, Governance, Holistic, Integration, Trans-disciplinary, Value, Risk, Object.

Jel Codes: G34, O52.

Paper type: Research Paper.

1. Introduction

Much has been written about governance and even more about strategies and policies in the public and the private sector. Companies, governmental and non-governmental organisations, are being continually faced with challenges due to the changing trends and developments in modern society. Organisations therefore find themselves in a permanent flow of internal and external changes, resulting from a dynamic world. It is the challenge to connect the dots by dialogue. Although academics have published studies, models, frameworks, methods and techniques to help face these challenges, it is not an easy task, especially since they rely on assumptions and are limited in scope. Also, not easy due to the conglomerate of internal and external factors of the organisation, the variety of stakeholders, roles, interests, cultures and processes.

Public and business surveys of the last ten years show us that if content and governance are not well connected, risks will emerge. The World Economic Forum published in this period yearly Global Risks Reports, shows enormous developments in risks. Moreover, the Lloyds City Risk Index is a good example of systematic monitoring of risk. Sometimes within acceptable (mostly, ex post defined) margins, but more and more crossing the line of what we define as good governance (World Economic Forum, 2019) and (Lloyds City Risk Index, 2018).

The scale of emerging risks seems to increase, too often caused by organisations failing in their own performance or by a lack of cooperation with stakeholders, caused by target settings in business, which in fact proved to be out of reach from the start or can be realised with large deviations in time and budgets. These risks also show themselves in the fragmentation or segmentations of the object of management

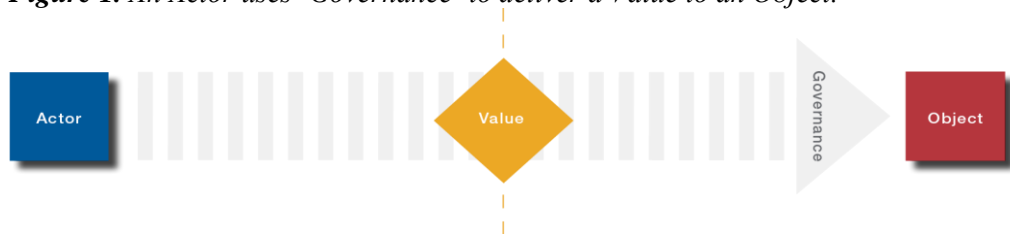
itself such as your client network and market (in business) or good citizenship and social cohesion (government). Often content, market and governance are not well connected, causing a diversity of risks. Products/services, clients/citizens and governance in business and the government can be very poorly connected (Young, 2012).

The need for an integrated and trans-disciplinary public governance approach is essential to enable leaders and organisations (the actor) truly deliver the electorally promised and democratically chosen values related to the public domain (the object), i.e. society as a whole. The governance for delivering public values is challenging and needs to be addressed from the holistic point of view from the object and its value.

A reflection of how the actor can deliver values to objects by good governance needs a thorough reflection, from what we believe as a holistic point of view from the object or the value to be delivered, not from that of the actor. The actor and all elements of governance should be derived from or related to the value-object. In the public domain, deviations in values or in the state of the object are defined as public risks. The actor and all elements of governance should be derived from or related to the value-object (De Pooter, 2019).

This can be explained in Figure 1 below and an example where government (the actor) needs to deliver 'safety' (value) for its citizens and society (objects) and does this by public administration and governance. If successful the actor receives 'credibility'. But in case of 'unsafety', the deviation of that value, defined as public risk, can harm society in terms of 'unbalance' and even have effect on government as the actor in terms of 'credibility'.

Figure 1. An Actor uses 'Governance' to deliver a Value to an Object.



Source: Authors (PRIMO).

Public Risk Management Organisation (PRIMO) has for the last 12 years experienced many deviations, i.e. risks, not only in public values but also in the state of object, due to high fragmentation and segmentation in governance principles and the high diversity of stakeholders, roles, perspectives and interests. A focused and well-coordinated governance can only be derived from a holistic perspective, which starts with the needs of the object and not those of the actor.

PRIMO believe that the public governance is a mechanism to deliver value needs in impulse from the holistic value-object perspective and studied the main drivers of public risks and accordingly defined elements to contribute to a focused, more coordinated and effective governance. The leading five elements are described in one integrated framework FORTE [‘Financial and compliant design’ (F), ‘Object orientation and delivery’ (O), ‘Responsibility and stewardship’ (R), ‘Tools and processes for creation’ (T), ‘Environmental awareness and interaction’ (E)], to serve the actors, their members, in their public governance design and implementation.

They (PRIMO) similar to Dalli Gonzi *et al.* (2019), believe that good governance (i.e. the required governance mandated by regulations and voluntary requirements (soft laws such as internal policies, standards ect.) can only be established if the parts of the system, i.e. the actor, value and object are in synch. Hence, with this article we aim to put forward, describe, test and discuss the PRIMO 5-element framework of good governance - FORTE, leading to organisations’ performance, success, efficiency and effectiveness in serving their objects in small European Union (EU) jurisdiction (with populations of less than 3 million, specifically Malta, Slovenia, Luxembourg, Lithuania, Latvia, Estonia and Cyprus) by adequate delivery of values.

This study adds value to the findings of various prominent researchers such as King (1993), Briguglio (1995), Baldacchino (2006), Bezzina *et al.*, (2012), Bezzina *et al.*, (2014) who highlight the importance of the use of small states as small scale laboratories for more complex politics, regulations and policies of larger countries.

2. The FORTE Framework

Based on the analysis of internal surveys and interviews carried out on a regular basis with members of PRIMO, they (PRIMO) are convinced that we are faced with a palette of emerging risks on a large scale and connecting the actor, value and object by governance, seems to be more challenging than ever. In general PRIMO believe that there is a lack of connection, between the different elements of governance, causing disruption and discontinuity. They highlight that the navigation in the public domain is not functioning on all fronts.

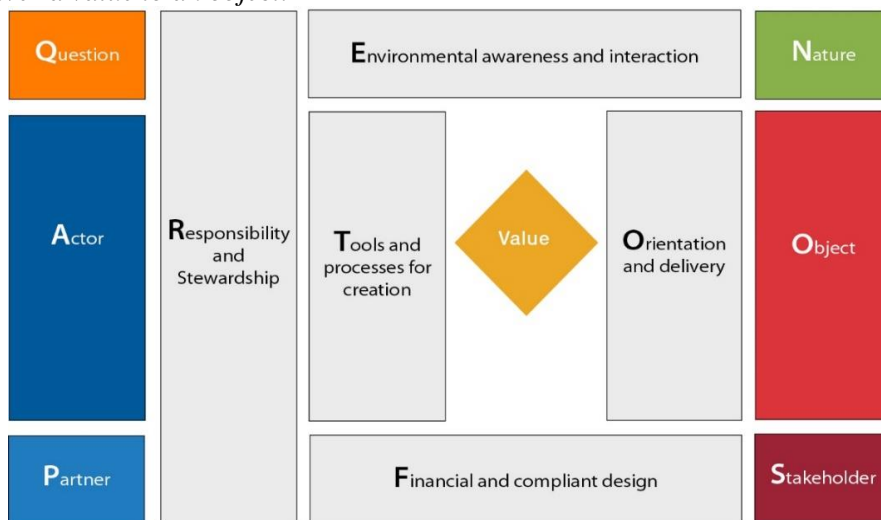
These elements of governance are based on the main drivers of risks, as PRIMO members have faced them in the last 15 years. The PRIMO board after analysing data collected using the FORTE framework design -approach and analysis detailed below, decided in 2017; rooted from mission, statutes and primary portfolio, to focus on these five elements of governance, because they are felt by its members to be the most critical for performance and success. They can be considered as influential in good governance design and therefore could be highly beneficial for members of PRIMO. They linked the main drivers of public risks to the elements of governance as follows in Table 1 and Figure 2:

Table 1. Elements of Governance and Main Drivers of Public Risk

Element acronym	Description Element	Main Risk Driver/Barrier
F	Financial and compliant design	Loose and optimistic planning.
O	Object orientation and delivery	Gap between system and living world
R	Responsibility and stewardship	Lack of <i>care for</i> and <i>care about</i> by leaders and distrust in public leadership.
T	Tools and processes for creation	Political ambition and governance capacity are way out of balance.
E	Environmental awareness and interaction	Vertical and horizontal segmentation and fragmentation of knowledge, power and interest.

Source: Authors.

Figure 2. Five guiding elements of good governance for actors who need to deliver a value to an object.



Source: Authors.

As already noted, PRIMO believe that designing good governance requires true connection between the actor (public and private organisations, teams, people), the value (the output or the outcome) and the object (the market or public domain) as well as connection between all five elements at the same time. The ‘FORTE framework for good governance’ could be a guiding framework for this.

FORTE™ can be used for understanding, diagnosis and corrective action and governance redesign (Figure 3). The framework is a contraction of the Common Assessment Framework, ISO 31000, The Committee of Sponsoring Organization of the Treadway Commission (COSO) II and Business model generation. It has a basic scan (developed by PRIMO) in the form of a set of 25 key indicator questions of the

status quo. For more in depth analysis and dialogue it uses existing and proven technology in personal, business and organisational development, such as SWOT analysis, Boston Consultancy Matrix, Design Thinking (Darden Institute) and Scenario-analysis (States, 2013), (The Committee of Sponsoring Organization of the Treadway Commission (COSO), 2018, and International Institute of Standardization (ISO), 2018).

3. The Main Concepts of FORTE™

The framework is used to design or improve the governance related to a specific value. This can be a concrete output target, an outcome, a state of resilience of the object involved, the process of governance itself or even the position of the actor itself. Before setting the 25 (5*5 governance related statements) the introduction set of question is as follows, to frame the problem, the actor, the value and the object and the main focus of governance:

1. What is the actual issue? Is there a problem? And what is the problem leading to? Why should we act?
2. Who is the actor in charge of the value?
3. What is the value which should be delivered?
4. What is the expected risk (deviation from desired value)?
5. Who is the object the value should be delivered to?

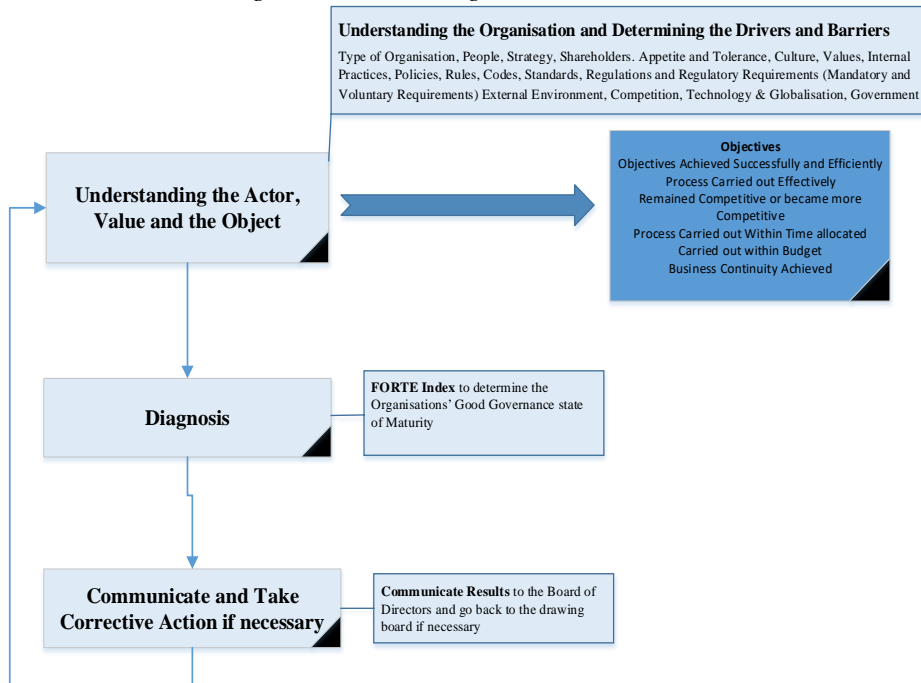
The governance survey digs deep into the way the value should be delivered by the actor to the object and which risks are involved. It leads to an open setting because all group members can give their opinions, before collective decisions are being made. It serves overall involvement of the group members in this process.

3.1 FORTE Framework Design - Approach and Analysis

This framework was designed by PRIMO after collecting data in the following manner and analysing utilising the thematic approach (Braun *et al.*, 2006):

- a) Participation in various forums, round tables and sub-groups, relating to good governance in organisations and the impact this is having on the competitiveness, success, efficiency and effectiveness of the organisations, organised by the PRIMO (of which the authors are active members) over the last 15 years.
- b) During the same period, carrying out one to one interviews with members from various sections within member organisations.
- c) Carrying out surveys with members and non-members, those in white-collar and blue-collar positions, from top managerial positions and entrance positions.
- d) A review of both academic and professional literature.

Figure 3. Use of FORTE framework in cycle of understanding, diagnosis, corrective action and governance redesign



Source: Authors.

3.2 The Basic Scan

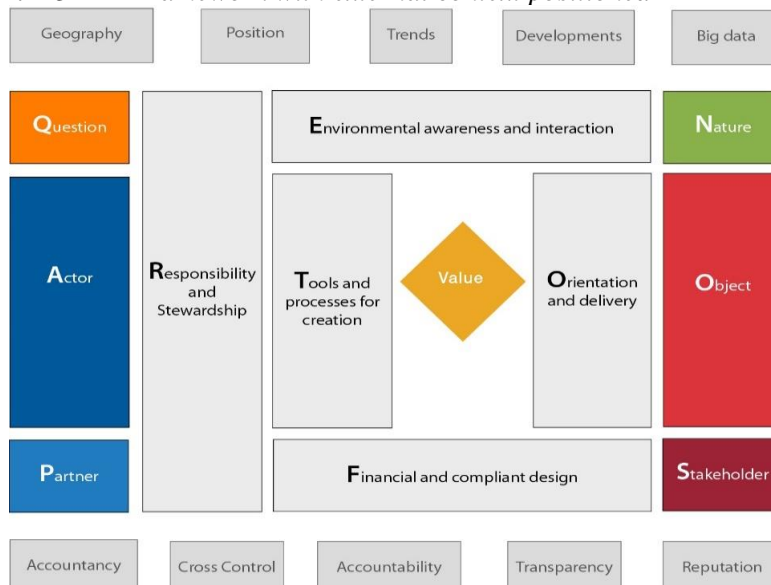
The elements are positioned on the FORTE-canvas with their external context (Figure 4). The actor's first starting element is 1) Responsibility and Stewardship (R). The second one is to show 2) Environmental Awareness and Interaction (E). Then 3) Tools and processes for Creation (T) and 4) Financial and Compliant Design (F) and this is all driven by the 5) Object Orientation and Delivery (O).

3.3 The Elements

FORTE is designed to connect actor, value, risk (as deviation of value) and object through elements of governance. This connection has been the starting point of the framework. We found inspiration and ground in the public value approach of Moore (1995) and (2013) and Benington (2010), in the practical business model generation approach of Osterwalder *et al.* (2010), in the extensive psychological research of Kahneman *et al.* (1979) of making decisions under uncertainty, in the high reliability organisation concept of Weick *et al.* (2007), in the design thinking technology of Liedtka *et al.* (2011) and the no-nonsense approach of John Boyd (1976) and Bazin (2005).

They all share light in their own special way focused on the object delivery of values. They all zoom in on the qualities, behaviour and performance of the actor, and its leadership, and underline the need of knowledge of the object/client. They all have the design of governance at the centre of its conceptual approach.

Figure 4. FORTE Framework with external context positioned



Source: Authors.

The concepts of Benington (2010) and Moore (1995) and (2013) give insight on the crucial starting points, conditions and constraints to design and deliver public values. The connection between policy design and the actual public management is a crucial and often critical aspect. Mintrom *et al.* (2015) elaborated on this connection. This connection as well as the strategic triangle of Moore (1997) - Public Value, Authorising Environment and Operational Capacity - are of great insight in the crucial governance elements leading to success. They formed a basis to define direct questions to the involved actors and stakeholders in charge with the creation and delivery of public values. The PRIMO framework is expanded to values in a more generic way, related to public and private values.

PRIMO as organisation follow the definition of risk as ‘a potential harm to something we value’ following Klinke *et al.* (2002): “We define risks as the possibility that human actions or events lead to consequences that harm aspects of things that human beings value” (Kates *et al.*, 1983; Hohenemser *et al.*, 1983).

Public risks were described by Fone and Young (2005) as closely related to values. They defined public risks: “those pertaining to issues or processes that arise from the assertion of matters of public interest – those matters relating principally to the protection of rights, the balancing of interests, and the assurance of fairness in the

political process.” Risks are related by the authors to the values at stake. The link between risks and values were already described by Drennan and McConnell (2007) – this from the perspective of government as steward of society: “*Public Risk is the chance of something happening that will have an impact on Public Values.*” For our approach in FORTE it is clear we approach value and risk as one and interlinked set.

3.3.1 Element 1: Financial and Compliant Design

This relates to the finances being focussed on the creation and delivery of values and on this being in line (compliant) with voluntary and mandatory requirements (procedures, policies, rules, directives, rule of law and regulations). If the focus, requirements or objectives are updated/changed, due to change in appetite, tolerance of the organisation or the society, then finances and compliance should move in line with these updates. That is, the budget needs to be sufficient for the organisation to reach the chosen objective/s and the acting of the organisation is compliant with existing and expected standards, rules and regulations.

This element is driven by the research of Kahneman *et al.* (1979): “*We do like optimists in planning. Realism in financial feasibility of projects are often associated with pessimism. We hate pessimists in organisations.*” That is why we always underestimate and this leads to systemic budget overrun in budgets. This simple first FORTE question to individuals of the group, in an anonymous scoring, is based on the assumption that personal convictions of members of the group or their stakeholders lead to the best estimate whether the budget is sufficient or not. Kahneman *et al.* (1979) did extensive research on how group decisions are influenced by roles in the group.

Also, since it is often forgotten in the design, compliance is mostly ex-post and not ex-ante. The groups’ knowledge about the existing and coming legislation (mostly forgotten or not registered and even denied) should be measured and brought in for dialogue and design. There are too many examples of projects and programmes which came to a stand-still due to relevant rules and regulations not being adhered to. Legal aspects are often not considered as strategic assets. Compliance deserves a place on the strategic table.

3.3.2 Element 2: Object Orientation and Validation

This relates to the orientation of the actor on its object and validation of its state in connection with the value to be delivered. Therefore, the actors need to determine a way to measure and understand the object and its’ resilience and barriers (both voluntary and mandatory) in order to arrive at the set values. That is, the risk appetite/tolerance of actor, partners, the object of governance (receiving client) and stakeholders are known and shared. Here sharing of knowledge is crucial, despite the fact that it is a highly theoretical concept. Politicians, managers and actors do not always really know what the appetite and tolerance of the stakeholders. The aspect

of power plays a crucial role here. Kahneman/Tversky (1979) note that an average of 32% in a group tend to go with the decision of the group's leader, despite the fact that they do have other convictions.

3.3.3 Element 3: Responsibility and Stewardship

This relates to trust building and security by empowerment, communication and team approach as opposed to the silo approach. Taking responsibility, acting ethically and keeping ones' word. Management needs to communicate the culture, appetite and tolerance of the stakeholders through the Board of Directors or Public council down vertically and horizontally and ensure that all are on board and understand the deliverables and objectives. Acting ethically, building trust and security among all ensures continuity and a team approach.

One needs to ensure that Command and Control are connected and secured. We have commanders and controllers, to some a strange marriage. Controllers seems to have relatively more power than actual can be based on their final responsibilities in organisations. It is relevant to know how they are connected and secured. Some see this as the gateway to success (Open Compliance and Ethics Group (OCEG), 2019; Bezzina *et al.*, 2014).

3.3.4 Element 4: Tools and Processes for Creation

This relates to understanding the needs of the organisation and ensuring that there is the capacity to achieve objectives. The process from diagnosis to decision and from decision and implementation should be well thoughts and engineered and planned to ensure continuity. It is about capacity to act and react on the values, in times of peace and in times of war (i.e. professional crisis) and having a Business Continuity Plan with a disaster management action plan in place to recover quickly (OCEG, 2019; Bezzina *et al.*, 2014). They all share light in their own special way focused on the focused delivery of values. They all zoom in on the qualities, behaviour and performance of the actor, and its leadership, and underline the need of knowledge of the object/client. They all have the design of governance in the centre of its conceptual approach.

Liedtka (2018) highlights "*I have seen that another social technology, design thinking, has the potential to do for innovation exactly what TQM did for manufacturing: unleash people's full creative energies, win their commitment, and radically improve processes*". Innovation is needed, especially in creating governance for complex social and economic issues to be solved.

3.3.5 Element 5: Environmental Awareness and Interaction

This relates to the understanding and awareness of the internal and external (wider) environment of the organisation. It is important for any form of management and

governance to know the context in which it is working, who the relevant stakeholders and partners are, and which are the relevant trends and developments influencing the governance process of value creation and delivery. It is related to horizontally which players are on the public canvas and vertically on higher and lower operating organisations (government or socially engaged organisations). It is about connecting, collaboration, cooperation and multi-level governance. The organisation should have permanent view on external trends and developments and their impact on possible deviations from the objective. Are the stakeholders aware of the external forces that influence deviations from the objective?

A good example is that of an archer. She/he needs to know how the wind blows, its turbulence, speed etc., to build this information into her/his shot and get the arrow to the target. In the design and implementing process, this awareness is the gateway to success. If not it the company may be lead to its demise. This external focus on where we are is crucial. The concept of John Boyd – military strategist - has been the inspiring concept here. He invented the OODA-loop Observe-Orient-Decide-Act as far more applicable for high dynamic and strategic aspects of projects and programs than the slow motion PDCA-loop (Boyd, 1996; Brehmer, 2005; Mulder, 2017).

4. Methodology

4.1 The Research Instrument

A self-administered questionnaire was purposely designed by the authors for the present study. In the process, we discussed with consultants and experts in the field. The introduction page outlined the objectives of the study, while the 7 sections that followed contained statements/questions with closed-ended statements, the first section with 3 questions containing the possibility to give any of 2 possible answers, related to demographics of the participants' firms. Such information could not have revealed the identity of firm or respondent and we informed the respondents that such data would be presented in aggregate form and that confidentiality was guaranteed. The next 5 sections held 25 statements reacting to the following themes explained in the literature above:

1. Financial and compliant design;
2. Object Orientation and Validation;
3. Responsibility and stewardship;
4. Tools and processes for creation;
5. Environmental Awareness and Interaction,

Each theme of the 'FORTE Model' (which consisted of 25 statements in total) was explained by 5 statements, where participants were asked to respond to a seven-point Likert scale ranging from "strongly agree" (coded as "7") to "strongly disagree" (coded as "1").

The 7th section related to the participants reaction to the statement on the level of success of their organisation in understanding and ensuring good governance. Here again participants were asked to respond to a seven-point Likert scale ranging from “strongly disagree” (coded as “7”) to “strongly agree” (coded as “1”).

4.2 Research Questions

The questionnaire responses were used to investigate the following research questions empirically:

RQ1: Are the factors (themes) and statements provided in the ‘FORTE Model’ empirically valid and reliable when used for organisations within small EU Jurisdictions?

RQ2: Is there a relationship between the FORTE Model on organisations within small EU Jurisdictions and the level of success of their organisation in understanding and ensuring good governance?

RQ3: Does this relationship change as an effect of different demographics?

4.3 Sampling Procedure

The authors targeted the whole population of small EU Jurisdictions. At a confidence level of 95 per cent, a worst-case true sample proportion of 5 per cent (for categorical data), the minimum sample size required with these pre-set criteria was 384 (Lenth, 2012). We used social network systems such as Linked-in and Facebook and email to invite prospective participants to respond to our survey via a web-link or QR code available on the social media or contained in the e-mail. The participants had the option to opt out if they felt they should not participate in the survey. Between January 2019 and August 2019, we received 433 completed surveys – which met the minimum sample size requirement of 384 (Lenth, 2012).

4.4 Sample Characteristics

In the selected sample 32.6% were participants worked in Public Organisations and 67.4% worked in Private Organisations. 28.2% of the organisations in which participants worked had 100 and above employees and 71.8% of these had 99 and below employees. Moreover, 55% of the participants were experienced in the EU and 45% in other continents.

4.5 Data Analysis Procedures

The respondents’ data was inputted into SPSS (Version 20) and subjected to statistical analysis. Since the items used the ordinal scale of measurement, we used the median (Md) as measure of central tendency and the inter-quartile range (IQR) as measure of spread. Where a group of items could be grouped into a construct (or theme), we assessed the internal consistency reliability of the measures via the

Cronbach alpha. After the items were combined into a single Likert scale, we computed the mean (M) as measure of central tendency and the standard deviation (SD) as measure of spread.

For our factor analysis we used the Equamax method, a rotation method that combines the varimax method and the quartimax method, which simplifies the factors and the variables respectively. The number of variables that load highly on a factor and the number of factors needed to explain a variable are minimized. It combines the characteristics of quartimax and varimax, balancing their good and bad aspects. It is a simple structure which gave us perfectly interpretable meaningful factors for our data to reach the factor matrix in the rows and columns of the load values handled together (Özdamar, 2002; Tavşancıl, 2002). As a general rule, if the researcher is mainly interested in obtaining the best fit results with the data, the tilt rotation is recommended. On the other hand if the researcher is more interested in the generalizability of the results, that is, the optimal solution for the future, vertical rotation is recommended.

However, it can be said that perpendicular rotation is preferred since both rotation results almost always produce similar results, making it easy to interpret in close proximity to all applications (Büyüköztürk, 2002). Exploratory factor analysis, via principal components extraction with Equamax and with Kaiser Normalization, was assessed by computing the Cronbach alpha coefficients. The Kaiser-Meyer-Olkin (KMO) statistic, which is a measure of sampling adequacy for the appropriateness of applying factor analysis, fell within the acceptable range (above 0.6), with a value of 0.82.

This further supported continuance of factor analysis and so the analysis proceeded. Factor analysis loaded best on 5 factors and 23 statements. Some statements were omitted (i.e. statements Q7 – ‘The risk appetite/tolerance of actor, partners, the object of governance (receiving client) and stakeholders are known and shared’, Q8 – ‘Command and Control are connected and secured’). This was both because they explain little variance and because they fell under factors which were defined by one or two variables, making them unstable and generally unreliable (Tabachnick and Fideli, 2001). The factors were interpreted or omitted cautiously with scientific utility. Therefore, variables that give a low level of association with several factors at the same time are neglected in the analysis. Principal component analysis (PCA) was conducted on the remaining 23 items with Equamax and with Kaiser Normalization and four components had eigenvalues greater than Kaiser’s criterion of one and in combination the factors explained 91.877% of the variance.

We then computed the FORTE measure from these 5 factors and 23 statements and carried out multiple linear regression to determine how the ‘FORTE Model measure varies with: 1) (Q1) the type of Organisation – Public =1, Private =2, 2) (Q2) the number of employees – 100 and above =1, 99 and below=2, 3) (Q3) Continent in

which participant has most experience prior to working in a small jurisdiction – EU=1, Other=2.

5. Findings

The ‘FORTE Model’ on EU small states using factor analysis was supported with 5 factors and 23 statements. **Table 2** shows which statements are grouped under each of the five factors. The pattern of items loading onto factors after rotation was clear and interpretable. Factor 1, which is termed “*Object Orientation and Validation*” explained 50.79% of the variance and comprised 8 items. Factor 2, which has been termed “*Environmental Awareness and Interaction*” explained 20.465% of the total variance and comprised 5 items. Factor 3, which has been termed “*Tools and processes for creation*” explained 83.638% of the total variance and comprised of 4 items. Factor 4, which has now been termed “*Financial and compliant design*” explained 6.15% of the total variance and comprised 3 items. Factor 5, which has now been termed “*Responsibility and stewardship*” explained 5.834% of the total variance and comprised 3 items (Hair *et al.*, 1998).

Table 2. Rotated Component Matrix^a

	Factors				
	1	2	3	4	5
Q4 We have all available techniques for value delivery to the object.	.733				
Q5 The acting of the organisation is compliant with existing and expected standards, rules and regulations.	.761				
Q6 There is a perfect match with all levels of governance (read: multi-level).		.809			
Q9 The leadership by the actor can be characterized by creating nearness and empathy.	.712				
Q10 The status quo and the true issue/question related to the object and the value to be delivered are clear.	.857				
Q11 The actor and object are fully connected from object perspective.	.805				
Q12 There is no light between the system (the world of rules, regulation, institutions and governance) and the living world (the world of personal and public values and lifestyles, daily life, work and experience).	.777				
Q13 The actor is familiar with the object.	.689				
Q14 It is clear who is responsible.	.870				
Q15 The 17 UN sustainability goals are secured		.748			
Q16 The objective is clear and shared by actor, object, partners and stakeholders.	.782				
Q17 There is within the organisation a working culture which can be characterized as open, fair and with direct lines on all levels.					.676
Q18 We have all the available knowledge and human resources to realize the objective.			.924		

Q19 The budget is sufficient for the organisation to reach the chosen objective			.844	
Q20 The Organisation has permanent view on external trends and developments and their impact on possible deviations on objective.			.883	
Q21 We are always setting the right priorities in our process.		.741		
Q22 The axis between politics - government - management is working perfectly				.901
Q23 Ambition and available capacity are matched.		.731		
Q24 There is room for innovation and creation		.663		
Q25 We know the position of our business in the chain and have secured this with good contracts.	.864			
Q26 We know the dynamics of the context we are working in and follow external developments directly.	.833			
Q27 We are aware where we are in the bigger picture of our environment and know what our related strengths and weakness are			.721	
Q28 Making mistakes is allowed in the organisation and is seen as a learning process and is always followed by adjusting governance.				.659

Extraction Method: Principal Component Analysis. Rotation Method: Equamax with Kaiser Normalization.

a. Rotation converged in 20 iterations.

Source: Authors’ Computations

Table 3. Cronbach’s Alpha Values (n=433)

Factor	Item	Mean	Min-Max	Cronbach’s Alpha
1	8	5.205	4.441-6.212	0.95
2	5	4.86	4.393 -5.321	0.94
3	4	4.38	3.928-5.261	0.94
4	3	4.697	4.157-5.053	0.89
5	3	5.276	4.469-6.009	0.74

Source: Authors’ Computations

The Cronbach alpha revealed that the measures of the 5 factors were internally consistent with scale reliability (Cronbach’s α between $\alpha = 0.74$ and 0.95) – Table 3.

The Cronbach’s alpha coefficients of this scale were between $0.74-0.95$. Therefore, we can conclude that this scale is reliable as part of our statistical analysis.

The computed ‘FORTE Model’ measure of good governance for small EU jurisdictions shows a mean of 4.88 ($SD = 0.96$). All the Factors (1, 2, 3, 4 and 5) produced means that were close to the computed FORTE Model - Table 4. This shows that participants from small EU jurisdictions, overall, believe that their companies have good governance. However, they are neutral about ‘tools and

processes for creation. That is, they do not have an opinion on whether the political ambition and governance capacity are way out of balance.

Table 4. FORTE Model

Factors	N	Mean	Std. Deviation
1.Object Orientation and Validation	433	5.1980	1.12990
2.Environmental Awareness and Interaction	433	4.8600	1.23742
3. Tools and processes for creation	433	4.3805	1.31465
4. Financial and compliant design	433	4.6967	1.62869
6. Responsibility and stewardship	433	5.2764	.87185
FORTE Model	433	4.8823	.95946
Valid N (listwise)	433		

Source: Authors' Computations.

Table 5. Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.823 ^a	.677	.674	.54778	2.802

a. Predictors: (Constant), Q3 Continent in which participant has most experience prior to working in a small jurisdiction, Q29 The level of success of their organisation in understanding and ensuring good governance, Q1 Type of Firm, Q2 Number of Employees

b. Dependent Variable: FORTE Model

Source: Authors' Computations.

The computed one-way analysis of variance (ANOVA) was used to show that there are statistically significant differences between the means of the independent (unrelated) groups ($p < 0.01$) - Table 6.

Table 6. ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	269.261	4	67.315	224.341	.000 ^b
1 Residual	128.425	428	.300		
Total	397.685	432			

a. Dependent Variable: FORTE Model

b. Predictors: (Constant), Q3 Continent in which participant has most experience prior to working in a small jurisdiction, Q29 The level of success of their organisation in understanding and ensuring good governance, Q1 Type of Firm, Q2 Number of Employees

Source: Authors' Computations.

The multiple regression analysis [$F_{4,428} = 224.341, p < 0.01$] and the variables explained 68% of the variability in the FORTE Model. The regression coefficients in Tables 5 and 7 yield some interesting findings. Firstly, the Organisations within small EU states which successfully understand and ensure good governance (Q29) score higher in the FORTE Model score ($\beta = 0.824, t=29.814, p < 0.01$). However,

the FORTE Model relationship does not change as an effect of the different demographics, i.e. it holds 1) whether the organisation is public or private, 2) no matter the number of employees within the organisation and 3) no matter the continent in which the participant has most experience prior to working in an organisation within a small EU state.

Table 7. Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.072	.138		22.323	.000
Q29 The level of success of their organisation in understanding and ensuring good governance	.378	.013	.824	29.814	.000
1 Q1 Type of Firm	-.044	.087	-.018	-.503	.615
Q2 Number of Employees	-.024	.114	-.012	-.208	.836
Q3 Continent in which participant has most experience prior to working in a small jurisdiction	.039	.110	.020	.351	.726

a. Dependent Variable: FORTE Model

Source: Authors' Computations.

6. Conclusion

We can therefore conclude that the FORTE model as shown in Table 8 is also valid for small EU jurisdictions and can be used no matter what experience ones employees have and the type and size of organisation. The starting point for the concept of FORTE is that every leader, manager or employee is able to understand the framework and use it. It is a simple and flexible designed framework, which would serve the purpose of strategy, policy, successful management of risk and interaction and communication with stakeholders and objects.

The approach is to support organisations on a meta-level to improve their governance in such a way, that the actor is totally aware of its strengths and weaknesses, has thorough knowledge about the object, is totally focussed on the objects when delivering values, ensures that the description and definition of the flow, the object and value is correct and appropriate and ensures effectiveness and efficiency in the delivery and result. The FORTE Framework combines the five elements of governance for diagnosis and dialogue for connecting the actor, value and object.

Table 8. The FORTE Model

Factor 4: Element 1. Financial and compliant design (F)
The budget is sufficient for the organisation to reach the chosen objective
The Organisation has permanent view on external trends and developments
We are aware where we are in the bigger picture of our environment and know our related strengths and weakness
Factor 1: Element 2. Object Orientation and Validation (O)
We have all available techniques for value delivery to the object.
The acting of the organisation is compliant with existing and expected standards, rules and regulations.
The status quo and the true issue/question related to the object and the value to be delivered are clear.
The actor and object are fully connected from object perspective.
There is no light between the system (the world of rules, regulation, institutions and governance) and the living world (the world of personal and public values and lifestyles, daily life, work and experience).
The actor is familiar with the object.
It is clear who is responsible.
The objective is clear and shared by actor, object, partners and stakeholders.
Factor 5: Element 3. Responsibility and stewardship (R)
There is within the organisation a working culture which can be characterized as open, fair and with direct lines on all levels.
The axis between politics - government - management is working perfectly
Making mistakes is allowed in the organisation and is seen as a learning process and is always followed by adjusting governance.
Factor 3: Element 4. Tools and processes for creation (T)
We have all the available knowledge and human resources to realize the objective.
We are always setting the right priorities in our process.
Ambition and available capacity are matched.
There is room for innovation and creation
Factor 2: Element 5. Environmental Awareness and Interaction (E)
There is a perfect match with all levels of governance (read: multi-level).
The leadership by the actor can be characterized by creating nearness and empathy.
The 17 UN sustainability goals are secured
We know the position of our business in the chain and have secured this with good contracts.
We know the dynamics of the context we are working in and follow external developments directly.

Source: Adapted by authors from PRIMO (n.d.)

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