

Public defence Ph.D. in Economics by Stijn Van Puyvelde.

The public defence of the Ph.D. in Economics for Stijn Van Puyvelde will take place on Tuesday July 9th 2013 at 4pm on the Etterbeek-campus of the Vrije Universiteit Brussel, Pleinlaan 2, 1050 Brussels in Building E, level 0, room E0.04.

The Ph.D thesis is called "Applying Agency Theory to Nonprofit Governance: Theoretical and Empirical Contributions."

Promoter: Prof. dr. Marc Jegers

Please confirm your attendance by Thursday July 4 2013 to [Tom Matthijs](#).

Abstract:

Nonprofit organizations typically arise in the economy to ensure provision of socially desirable goods and services. However, despite the fact they cannot distribute profits, they are not immune to governance problems. A suitable microeconomic framework for analyzing the governance of nonprofit organizations is the principal-agent framework, because a principal-agent relationship is present when one party (the principal or the owner) contracts another party (the agent or the manager) to perform some service on his/her behalf which involves delegating some decision making authority to the agent. Agency theory assumes that owners and managers of an organization have different interests, and that it is difficult or expensive for the principal to verify what the agent is actually doing. When the behavior of the agent is not controlled or restrained, the goals of the principal are unlikely to be fully attained. Therefore, in this dissertation, we apply agency theory to nonprofit governance.

From a theoretical viewpoint, two major contributions to the literature are made. First, because the applicability of agency theory to nonprofit governance is hindered by the presence of multiple principals (for example, board members, donors, and clients), a more comprehensive governance framework was developed by combining agency theory with other theoretical perspectives. Second, one way in which nonprofit organizations may reduce their governance problems is to attract committed individuals to managerial and non-managerial positions. As nonprofit ownership type can serve as a signal of the organization's mission, values, and identity, a microeconomic model of self-selection into nonprofit sector employment was developed. From an empirical perspective, this dissertation contributes to the existing literature by using discrete choice experiments to investigate the preferences of board members, managers, and employees in nonprofit organizations. In a discrete choice experiment, respondents are asked several times to select their preferred alternative from a number of hypothetical alternatives. Each time an individual makes a choice, he or she will choose the alternative that leads to the highest level of utility. By varying the degree to which particular objectives are attained in the alternatives, respondents' preferences for these objectives can be determined. Three discrete choice studies were included in the dissertation, each focusing on a particular aspect of nonprofit governance. Based on these research findings, several policy recommendations and suggestions for further research in the field of nonprofit governance were made.