

How to govern inter-organizational networks

"Inter-organizational networks, collaborations among independent organizations or firms, are increasingly recognized as a key solution for complex societal problems. The interest in this form of cooperation is at its peak, but we still do not know what works and why. This research aims to explore how variations in governance structures foster or hinder 'horizontal' collaboration within inter-organizational networks.

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Choosing the right governance

Chapter 1 tackles the lack of information on how networks are managed in real-life situations. We carried out a systematic literature review to find case studies with detailed information on network governance and then conducted a qualitative meta-synthesis. The analysis showed more variety in governance forms than current theories cover and suggested potential reasons for choosing one form over another based on the type of network goal and source of funding.

Dealing with differences

Chapter 2 explores the emergence of status hierarchies in networks despite efforts to maintain a "horizontal" structure. It focuses on lower-ranked individuals and examines how they can amplify their influence on network processes. To redistribute power and resources between senior and junior representatives of the same organization, there must be:

1. No competition between two representatives from the same organization within that organization;
2. Sufficient alignment of organizational goals and network goals.

Dealing with tensions

In Chapter 3, we explore ways to manage tensions, the necessity to reconcile conflicting demands such as unity and diversity. Qualitative data from two identical networks reveal a novel approach: multi-level separation, prioritizing and addressing contradictory needs at different network levels (organizational, group, and network).

In Chapter 4, we conduct a systematic literature review to uncover additional strategies for successful tension management. It reveals that network managers employ two key tactics:

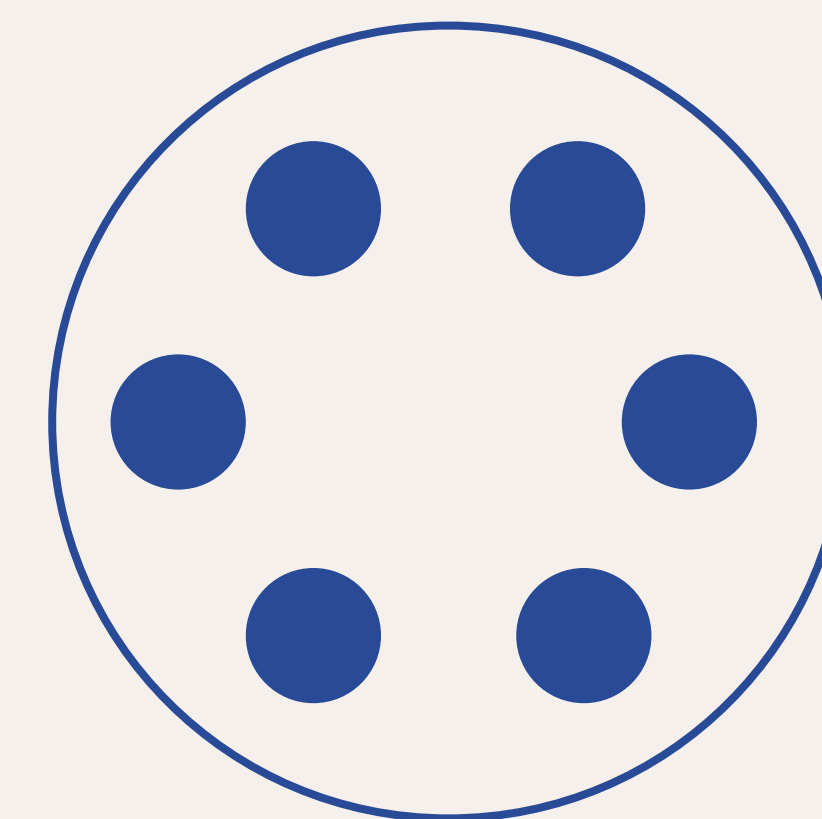
1. Mutual adjustment (necessitate investments within organizations);
2. Establishment of higher-level integration mechanisms (demands network-level investments).

Forms of network governance

There is no 'one-size-fits-all' governance type for all networks, as different contexts necessitate different solutions. Selecting the governance form that fits the demands of a given network is thus crucial. For example, in business ecosystems, wrong governance choices constitute 34% of the primary causes of failure, making it the highest single factor (Reeves and Pidun, 2022). Here are the five main governance forms:

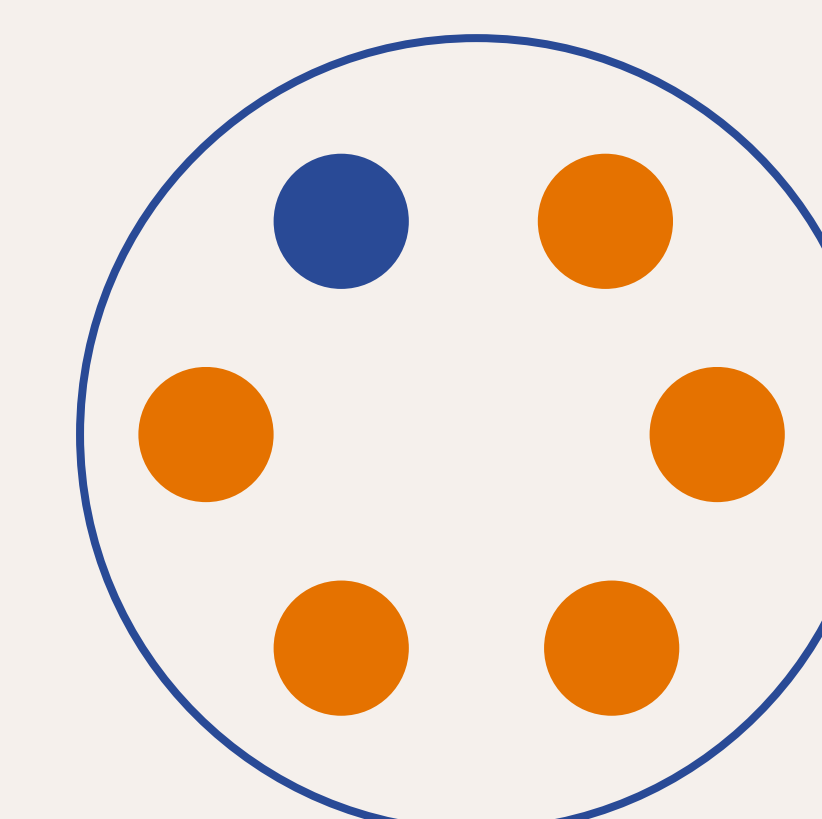
Shared

Members jointly govern the network and do not have much differences in power

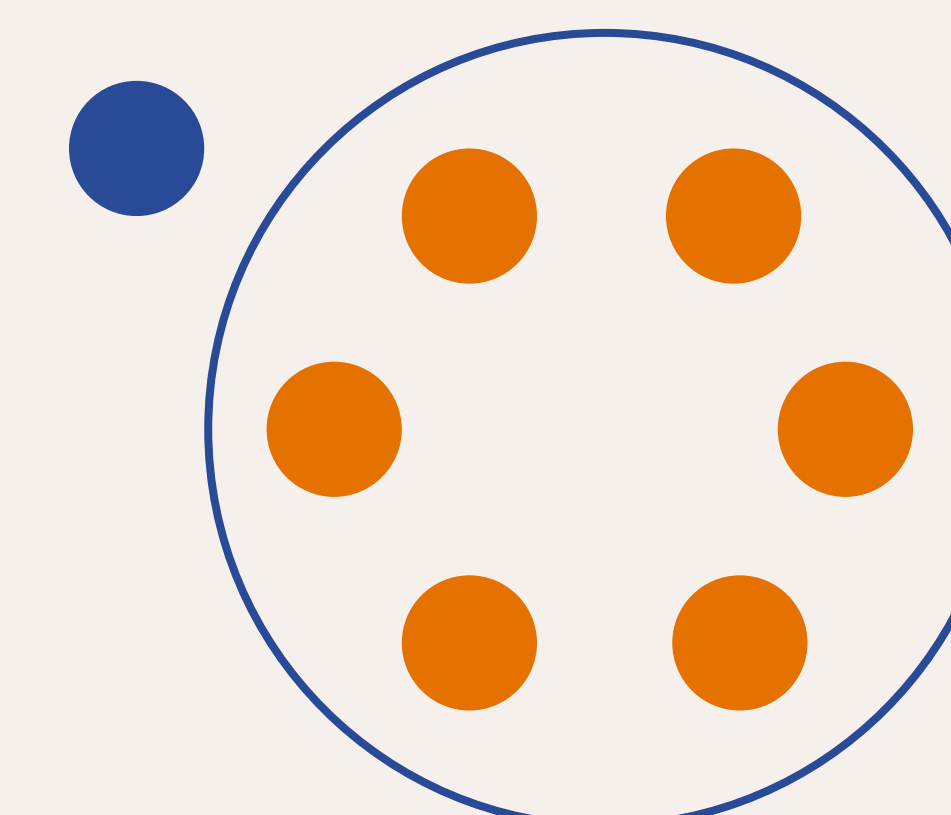


Monocentric

A single organization coordinates key decisions. It can be a network member (Lead Organization)....

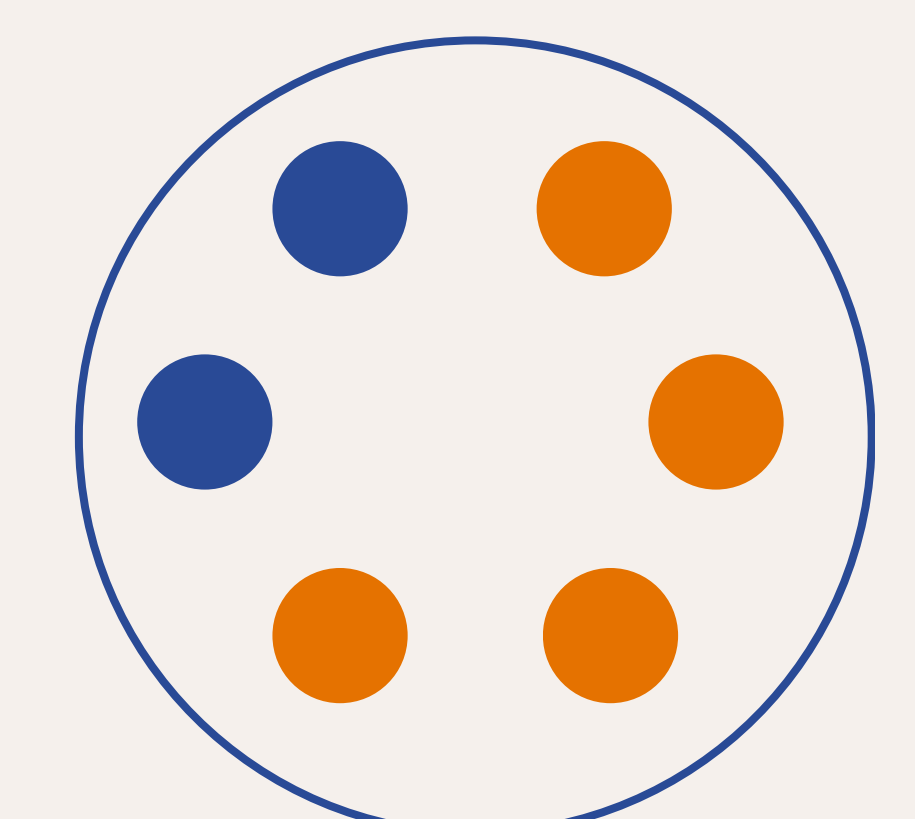


...or an external organization (Network Administration Organization)

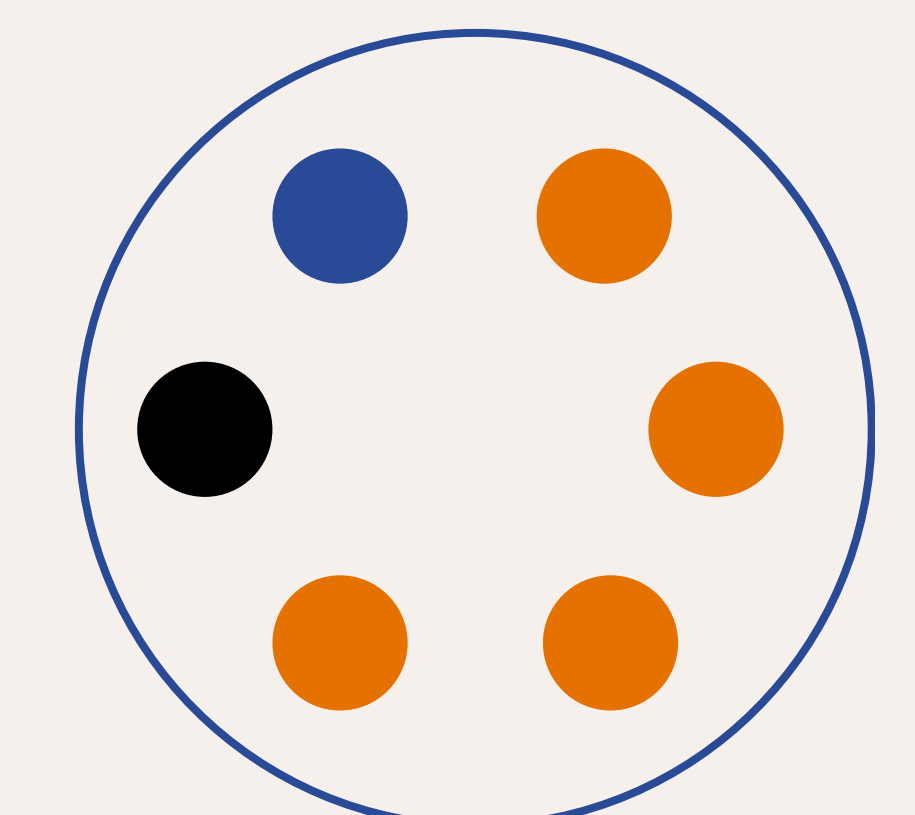


Polycentric

Several independent decision-making centers. They can be of the same type (e.g., two organizations)....



...or different types (e.g., an organization and the steering committee).



These three forms were suggested by Provan and Kenis in their article "Modes of Network Governance: Structure, Management, and Effectiveness" (2008)

These two forms were identified through our systematic literature review