

Network Structure, Governance and Effectiveness

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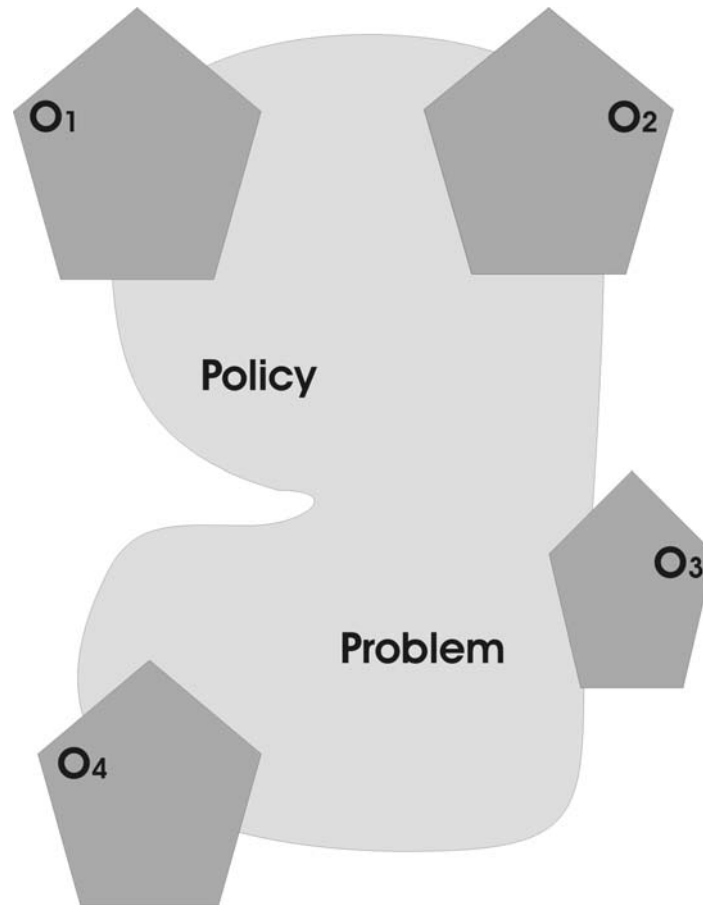
Research Collaboration

- This talk is based on 19 years of intense research collaboration between Keith Provan and Brint Milward at the University of Arizona
- See Milward and Provan, *A Manager's Guide to Choosing and Using Collaborative Networks* from IBM's Center for the Business of Government@ www.businessofgovernment.org

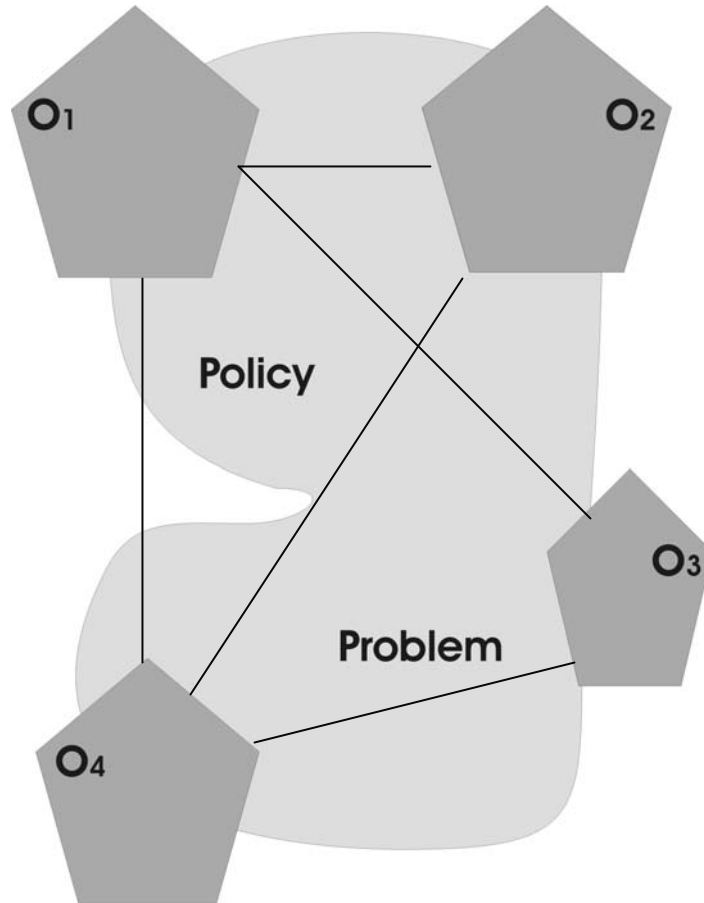
Characteristics of Organizational Networks

- The “nodes” of the network are organizations, not individuals
- Assumption of goal or common purpose
- Trust and reciprocity replace the chain of command or price system
- Many types of connections hold networks together (friendship, information sharing, shared resources, etc.)
- Non-hierarchical, but often in the shadow of hierarchy and law

Organizations and Problems



Organizations and Problems



Types of Policy Networks

- **Information Diffusion Networks**
 - A Neighborhood Crime Watch
- **Problem Solving Networks**
 - First Responders Network
 - Community Trauma System
- **Community capacity building networks**
 - Community Drug Education and Prevention Partnership

Types of Policy Networks

- **Service implementation networks**
 - A Community Mental Health Network
 - Like a supply chain in the private sector
 - Key Issues
 - Joint production
 - Carrying capacity

Research Findings on Network Effectiveness

An Overview of the Research Findings on Network Effectiveness

Knowledge and Networks: A Caveat

- “The Aim of Science is not to open the door to infinite wisdom, but to set a limit to infinite error.”

– Bertolt Brecht

1. Multiple Levels

- Collaboration at multiple levels within the network builds commitment to network goals
- Network-level collaboration at multiple levels outside the network (i.e., local/regional, state, national) builds legitimacy

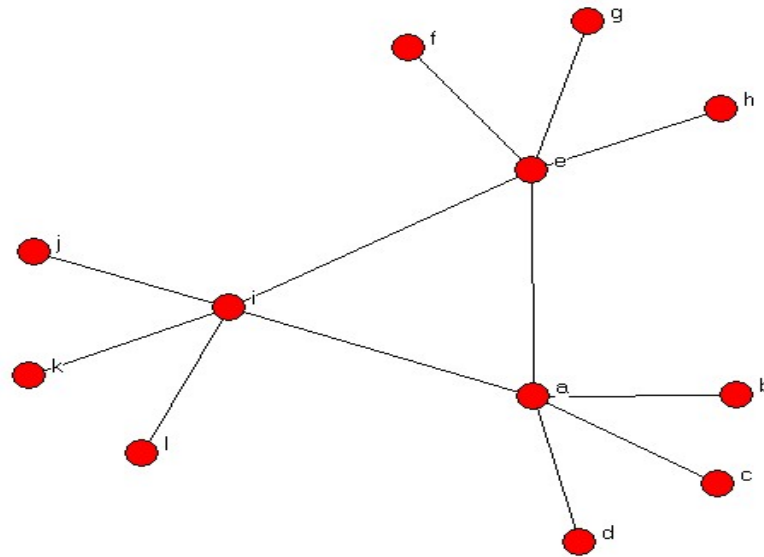
2. Focused Integration

- Targeted network links better than promiscuous linkages
- Some fragmentation of every network is OK
- Highly dense networks are inefficient and inhibit the flow of new ideas and approaches

3. Tie Strength

- Strong ties - Multiple types of involvement (resource sharing, information, referrals, etc.) is critical among key members of the network.
- The strength of weak ties – facilitates the flow of critical intelligence from sources outside the network. Trading in indiscretions allows for bridging.

A Mixture of Tight and Loose Ties is Effective

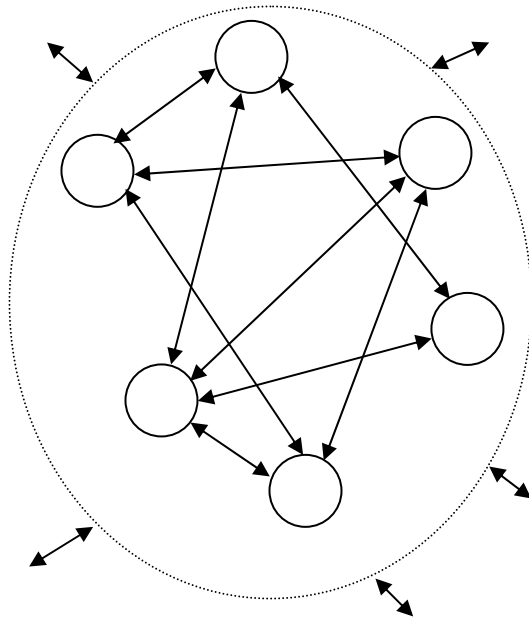


4. Network Governance

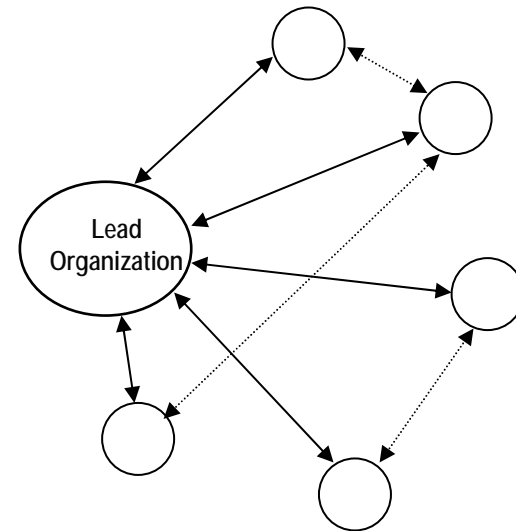
- Some form of governance necessary to sustain the network.
- Which organizations should be included?
- Should core agencies be governed differently than peripheral agencies?
- What kinds of incentives will be used?
- Should it be emergent or mandated?

Forms of Network Governance

Self-Governed



Lead Agency



Forms of Network Governance

Network Administrative Organization

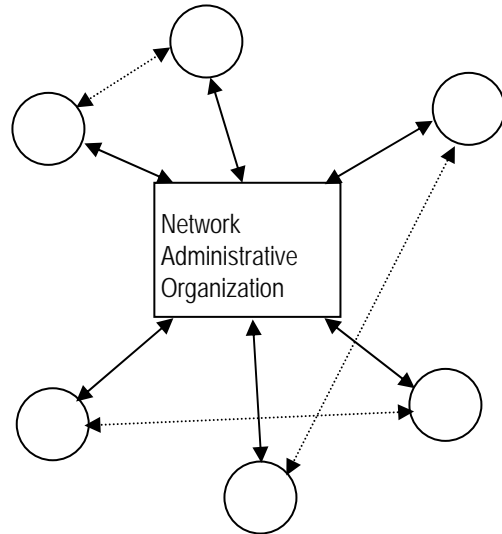
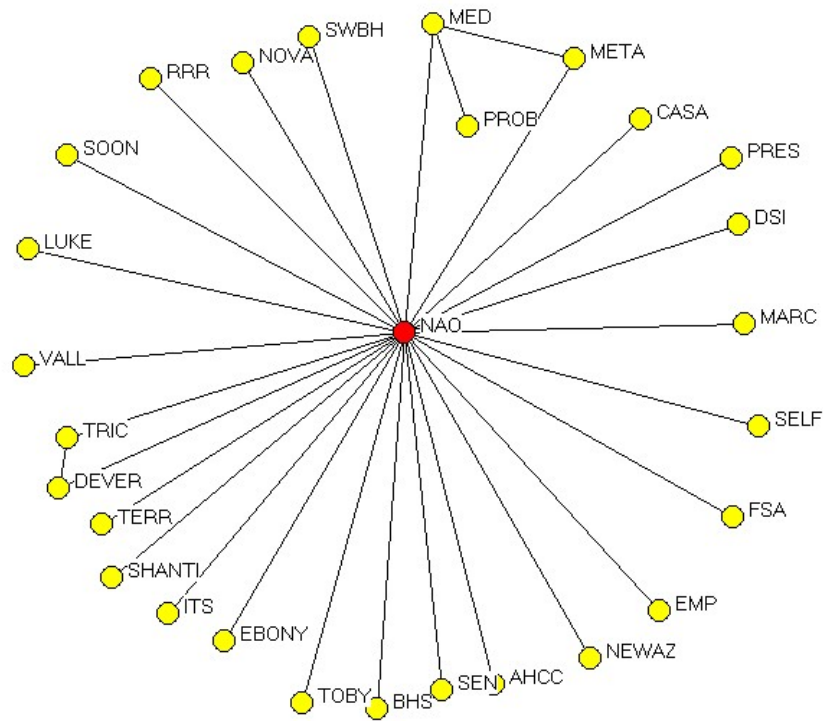


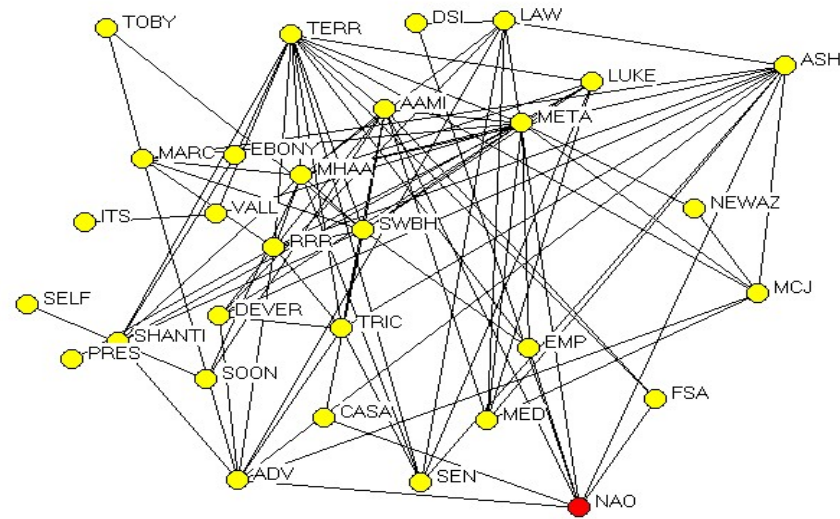
Figure 1: Network Plot – Contracts
(Centralization Score=.77, Highly Centralized NAO Control)



5. Involvement

- Involvement expanded gradually, builds trust, commitment, and synergy, first through low-intensity ties.
- Initial focus on people and organizations that have common, non-competing interests
- Entrepreneurial Leadership plays a key role that is context dependent.

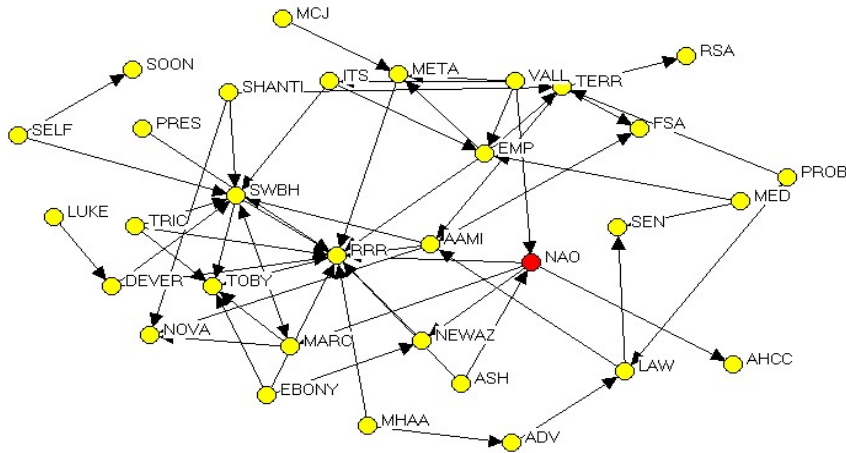
Figure 2: Network Plot – Information Sharing
(Centralization Score=.27, Diffused Control)



6. Legitimacy

- Networks build legitimacy as they evolve in two different ways
- Internally – based on strengthening interactions and trust among members
- Externally – based on strong ties to outsiders (funders, community leaders, etc.)
- Both are critical but not necessarily at the same time. However, one can impact the other

Figure 3: Network Plot – Reputation
(Centralization Score=.30, Diffused Control)



7. Resources

- Sufficient resources needed to build network infrastructure (staff, newsletter, phone, etc.).
- Resources may be external (grants, etc.) or internal (dues, in-kind, etc.)
- Source of resources can affect network legitimacy building, especially in early stages of development
- Networks have a carrying capacity

8. Goals

- Networks with relatively short-term goals that are specific and attainable (show results to build commitment) grow and prosper.
- Good: improving access to health care or increasing drug seizures
- Weak: vague goals like “better communication” or “building community capacity”

9. Stability

- Networks that are relatively stable over time, following formation and early growth (i.e. no major and frequent system upheavals) are more effective than those that are tinkered with repeatedly.
- Ironic since networks are adopted because they are flexible and adaptable.

10. Client Outcomes

- Centralization, stability, and resources are related to network effectiveness in both of the only comparative studies of network effectiveness using client outcomes (Provan and Milward, 1995; Vollenberg, Raab and Kenis 2007).

Summary of Research Findings: 10 Characteristics of Effective Networks

- Collaboration at multiple levels
- Focused integration
- Mix of strong and weak ties
- Appropriate form of governance
- Involvement built gradually through trust
- Legitimacy, built both internally and externally
- Sufficient resources
- Focus on specific goals
- Stability
- Centralization, stability and resources

What are the Critical Research Issues?

- Evolution – How do networks form and develop? (stages, legitimacy, flexibility to stability, etc.)
- Governance – NAO, Lead Agency, Self-governed?
- Creation – Emergent or Mandated?
- Structure – What structures of relationships facilitate goal attainment or information flow? (density, centralization, strong vs. weak ties, etc.)
- Outcomes – What are the important network level outcomes and how can they be assessed? (key performance criteria, stakeholder focus, etc.)