Dynamics of Network Governance in Times of Crisis

Jörg Sydow
Department of Management, Freie Universität Berlin

This class is part of the online course „Organizing in Times of Crisis“ (https://timesofcrisis.org/)
Overview – Learning Aims

(1) Networks as an Alternative to Bureaucratic Organizations in Times of Crisis

(2) Interorganizational Networks as a Form of Governance

(3) How are Inter-organizational Networks Managed? – Functions, Practices, Institutions

(4) Understanding Network Dynamics: A Governance View on the FED in Düsseldorf (by reading and reflecting on the FED case)
What kind of networks are particularly relevant?

- **Healthcare networks**: In- and outpatient care, rehabilitation, home for the elderly, ... „integrated care“ ...
- **Global supply chains/networks**: Food, pharma, PPE, medical instruments, ...
- **R&D consortia** for testing, tracking, treatment and vaccination
- **Organizing for interest representation**: formal associations vs. ad-hoc networks (incl. for organizing for conversion)
- **Policy networks**
- ...
Interorganizational Networks as a Form of Governance – Overview

- Networks as a form of governance ≠ network perspective
- Inter- and intraorganizational networks
- Networks between or beyond market and hierarchy (Williamson 1991; Powell 1990)
- Modes of network governance (Provan & Kenis 2008; Kenis et al. 2019)
- Governance modes and network management (Sydow et al. 2016), filling „governance voids“ through „interactive governing behavior“ (Jarvenpaa & Välinkangas 2016)
Interorganizational Networks as a Form of Governance – An Intermediary Form?

a) Network as a hybrid form of governance (Williamson 1991)

Network formation between market and hierarchy (Sydow et al. 2016: 13)
Interorganizational Networks as a Form of Governance – An Intermediary Form?

a) Network as a hybrid form of governance (Williamson 1991)

b) Network beyond market and hierarchy (Powell 1990)
Forms of Network Governance I

Following Provan & Kenis (2008):

1. **Shared governance**

2. **Lead-organization governance**

3. **Network administrative organization (NAO)**

Networks give preference to one of these modes, depending on: (1) the level of trust, (2) the number of participants, (3) the extent of goal consensus, and (4) the need for network-level competencies.

Beyond a contingency theory of network governance: **dynamics and practices** (Berthod et al. 2017)
Forms of Network Governance II

<table>
<thead>
<tr>
<th>Shared governance</th>
<th>Lead organization governance</th>
<th>NAO organization governance</th>
<th>Combined lead and NAO governance</th>
<th>Core-periphery governance</th>
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<tbody>
<tr>
<td><img src="image1" alt="Shared governance" /></td>
<td><img src="image2" alt="Lead organization governance" /></td>
<td><img src="image3" alt="NAO organization governance" /></td>
<td><img src="image4" alt="Combined lead and NAO governance" /></td>
<td><img src="image5" alt="Core-periphery governance" /></td>
</tr>
</tbody>
</table>

**Figure 1.** Types of Network Response for Multi-Actor Systems or Network Governance

4. **Shared governance with NAO**

5. **Lead-organization governance with NAO**

6. **Core-periphery model or: more than one lead organization** (Kenis et al. 2019)

Organizational network governance approach (Raab et al. 2020)
Network Management: Functions, Practices, Institutions

Selection

Regulation

Allocation

Evaluation

Management Practices

Source: Sydow et al. (2016), p. 20
Interorganizational:

- NAO
- Interorganizational committees (IOCs)
- Interorganizational projects (IOPs)
- Networking tools (physical as well as virtual)
- ...

Intraorganizational:

- Boundary spanning individuals, teams (incl. TMT), dept, ...
Learnings – Next Steps

(1) Interorganizational networks are an important alternative to bureaucratic organizations, also in times of crisis.

(2) Such networks can be viewed as a form of governance either between OR beyond market and hierarchy.

(3) Beyond looking at (static) governance structures network management practices are important, including managing tensions and contradictions.

(4) Look at the network dynamics in the case of the FED (Berthod et al. 2017) – a lead-organization of an High-Reliability Network or HRN. Do not forget to answer the post-lecture questions!
References


