

**Governance Arrangements and Network Management: The Impact on Hybrid Networks**

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### **Abstract**

Network management has been a growing area of academic interest as new organisational forms that rely on more relational arrangements have emerged. The management of these networks has been confounded by their hybridity. Two types of hybrid arrangements have been determined: hybrid inter-organisational arrangements and hybrid networks. Given the growing prevalence of networks comprising multiple actors coming together for collective action under the auspice of network governance, this study is focussed on hybrid networks. It describes and defines hybrid inter-organisational arrangements to examine the genesis of complex non-unitary organisational forms.

This paper proposes first, that the type of management required in hybrid networks is influenced by the dominant governance mode present and second, that networked arrangements are differentiated in terms of their purposes, structure and operating mechanisms. These different characteristics need to be considered when formulating management strategies and implementation.

These propositions will be tested through the application of a case study methodology using data gathered from three case studies of hybrid networks. These studies provide evidence that in certain instances there is a need for a specific type of network management that is indeed different from organisational management.

### **Introduction**

The literature on networks has recently come to focus to a great extent on network management (Kickert, Klijn and Koppenjan, 1997; Agranoff and McQuire, 2001 a&b; Klijn and Koppenjan, 2000), with much of this literature on network management pointing to the idea that the management of networks is not the same as traditional management in individual organisations. The differences cited have to do with the focus in networks on interdependent participants/actors, rather than separate, independent participants; the need to focus on building relationships rather than just looking at accomplishing tasks; a lack of centralised authority; and dealing with many diverse participants. The emphasis of network management then is on moulding the relationships between people, organisations and sector into collective action rather than the application of purposeful direction through hierarchy or instrumental contractual action.

Network management is aimed at facilitating interaction processes among a diverse set of actors (Kickert and Koopenjan, 1997; Mandell, 1999; Keast et al, 2004), which usually relies on mutual adjustments (Kickert et al, 1997; Mandell, 2000) the building of trust and the development of a variety of communication channels (Ansell, 2000). In spite of this however, there has recently been some doubt cast as to whether the management of networks is actually different from that of individual organisations since initially, many of these activities resemble management activities that take place in traditional organisational structures (McGuire, 2003). This paper contends that network management is indeed different to conventional management practice and principles and this difference relates to two interrelated concepts. The first consideration is the impact of different governance modes, while the second aspect centres on the different types of networked arrangements. In this paper, these types are defined as hybrid inter-organisational arrangements and hybrid networks.

By highlighting and unpacking both the different governance modes and the different types of networks, it is contended, the concept of network management will be better understood, and also its usefulness and relationship to traditional organisational management will be made clearer. We argue that the different types of networks have overlapping management techniques and that the dominant governance mode drives the type of management strategy.

This analysis begins with an overview of the different governance models and their traditionally associated strategic institutional arrangements and management strategies. The paper then moves to an exploration of networks and network management as distinctive areas of effort. The interplay of these different governance modes and how they create hybrid arrangements that require a mix of management strategies is examined. The paper discusses and outlines what network management in each of these domains means. Finally three case studies that draw on a mix of governance arrangements are used to illustrate how different networked arrangements, because of their different dominant governance mode, have used different management strategies, and institutional processes.

### **Governance Type as a Key Defining Influence of Management Strategies**

Governance is essentially the purposive means for guiding and steering a society (Kooiman, 1993). It is about how processes and mechanisms for social organisation are arrayed and made operational, that is, mechanisms for deciding which decisions are made, how resources allocated and, the form of coordination to facilitate this process. In essence, governance is a mode of social coordination. Three main or ideal modes have been identified – the state, the market and civil networks (Thompson, Frances, Levacic and Mitchell, 1991; Ouchi, 1980). Each of these models represents alternative ways of organising society and is underpinned by a set of ideological assumptions and principles that guide their integrating mechanisms and optimal operating conditions.

The state model relies on public organisations working through hierarchical relationships. In this model 'legitimate' authority provides the means of integrating and regulating the relationships between actors into a functional system of operation (Lowndes and Skelcher, 1998; Considine, 2001). Decision-making within this process is highly exclusive and communication is formalised and directed downwards through the chain of command (Ansell, 2000). The strategic arrangements through which outcomes are realised are generally procedures, rules and regulations, mandates and legislation and routines. Management in this governance mode relies on top-down command and control methods, strict chain of command and management that takes place in intra-organisational settings (Mandell, 1988; Agranoff and McGuire, 2001 a & b). The influence orientation in the state mode is essentially based on a reliance on decision-making elites with a dependent chain of interaction. Therefore traditional management is primarily vertically oriented and is based on the activities of planning (establishing organisational goals), organising (structuring and designing the organisation) and leading (directing and coordinating) to achieve goals (Agranoff and McGuire, 2001a).

In contrast, the market mode of governance centres on private sector organisations operating through contractual transactions based on the concepts of demand and supply. For the market model the integrating mechanism is the formalised, mostly legal, contractual arrangements that use price signals to bring dispersed suppliers and purchasers together for short and highly specified exchanges. Management in this context is through arms-length transactions using written contracts, formal agreements and based on reliable performance and formal relationships. The key is

self-interest co-ordinated through the invisible hand of supply and demand. The orientation of influence in this sense is independent, with individuals focussed on establishing strategic linkages to secure optimal outcomes while retaining an autonomous stance. Management is based on rationality and self-preservation. Transactions occur among businesses because each individual organisation is unable or unwilling to provide internally the resources they require and therefore must establish relationships with others. Although these linkages are thin and sporadic (Cooke and Morgan, 1993), the existence of a relationship aspect begins to move away from the vertical emphasis of hierarchy towards the horizontal.

Whereas the network governance mode also has a horizontal rather than a hierarchical organising principle, the relationships and sphere of influence are interdependent drawing on social/communal relationships based on exchanges underpinned by the building of trust, reciprocity and mutual benefit. In this model communication is thick and the parties either have, or try to establish, extensive long-term knowledge of each other and their organisations (Ansell, 2000). Relationships, while valued as ends in and of themselves are also leveraged to achieve synergistic outcomes that are not possible in single agency or committee operating modes.

Management within the network governance mode is therefore not top-down and does not centre on the concept of self-interest. Instead the idea of network management is very much focused on building relationships in which trust and reciprocity come to the fore. That is, for the network model, the relationships are the glue that bonds the elements together.

### *Network Management*

The concept of network management requires elaboration to demonstrate differences in terms of emphasis and processes. It has been established that networks function from a different operational logic to more conventional modes of organisation. That is, they are horizontally oriented, more egalitarian in their process and membership and rely on social relationships to generate collective action. Management within networks therefore is essentially about moulding relationships and people within and between organisations and sectors into collective action. Network management has been defined as a process for:

... promoting the mutual adjustment of the behaviour of actors with diverse objectives and ambitions with regard to tackling problems within a given framework of inter-organisational relationships (Kickert and Koopenjan, 1997: 44).

In the work of Agranoff and McQuire (2001 a & b) and others (Kickert et al, 1997; Mandell and Steelman, 2003) the tasks of activation, framing, mobilising and synthesising have been identified with network management. Each of these will be briefly explained to expand on their importance and different orientation to conventional management.

Activation refers to the need to identify and select the appropriate actors and stakeholders as well as the ability to tap into their skills, knowledge and resources (Agranoff and McGuire, 2001a: 13). This is important because “resources like money, information and expertise are the integrating mechanisms of networks” (13). This task also relates to the need to create a legitimate foundation for the network even before interactions take place (Mandell, 2000).

Framing refers to the need to influence perceptions, establish the rules of operation and values in order to create a shared purpose (Agranoff and McGuire, 2001: 14). In order for a network to be effective the diverse members need to be able to understand and accept each other's point of view. It has to do with being able to get actors to "step into each others' shoes" (Mandell, 1994; 2000). Framing involves influencing the participants of a network to get what Mandell (1990) refers to as a 'program rationale', which serves as the glue that holds the network together. With so many diverse members in a network, framing becomes necessary to get members to look at problems from another perspective or differently, to influence the rules of interaction and to recommend different decision making mechanisms (Agranoff and McGuire, 2001a: 14). In this regard, "[F]raming helps set the stage for network formation" (Agranoff and McGuire, 2001: 14). Through this process of shared purpose the network can be restated and lead to galvanised action or provide a 'jump start' for a stalled network.

Mobilising relates to the need to develop a commitment to the whole. Mobilising "requires a view of the strategic whole and an ability to develop and achieve a set of common objectives based on the whole" (Mandell, 1988: 33). Mobilising is involved with the ability to build an overriding commitment to the network. Agranoff and McGuire (2001a) make the important point that network management also has to do with getting the commitment of network members' individual organisations to work through the network. Mobilising therefore involves forging coalitions and agreements on the scope of network operations.

Synthesising refers to dealing with the conflicts that members have both within the network with each other and also the conflicts that arise from the loyalties they feel to their individual organisations and those they may feel to the network. This relates to the fact that members of a network are also members of individual organisations and come with preconceived ideas, values and commitments to their organisation. A focus on the interactions of the network members and how these interactions impact on their strategies within the network is a key element in the management of the network. Synthesis therefore focuses on the patterns of these interactions and the need to build and maintain relationships. It involves changing incentives, developing new rules for interactions, changing roles for members and encouraging more effective communications among the members (Kickert et al, 1997; Agranoff and McGuire, 2001 a & b; Mandell, 1990).

Thus, while at first blush network management may resemble conventional management techniques and practices of market and state modes, the emphasis on interdependence, relationship moulding and horizontality presents this model as a quite distinctive way of working and managing.

### *Putting It All Together*

The previous section has demonstrated that each of the three governance modes operate in different types of domains, exhibit different relationships and integrating mechanisms (Lowndes and Skelcher, 1998; Brown and Keast, 2003) and thus rely on different integrating mechanisms to lead to desirable outcomes. Further, it has been established that for each of these governance modes there is a need to be aware that there is an associated ideal management strategy, which must be clearly understood by decision-makers.

Table 1, provides a schema to articulate each of the governance characteristics and identify where each of the aspects is located and how the origins impact on the ways

of working adopted. In doing so it establishes the terrain on which each of the governance modes may operate.

**Table 1: Governance, Management and Integrating Mechanism Schema**

<b>Governance Regime</b>	<b>State</b>	<b>Market</b>	<b>Social Networks</b>
<b>Domain of action</b>	Public Domain	Private Domain	Civic Domain
<b>Integrating mechanisms and processes</b>	Centralised/legitimate authority hierarchy, Procedures, rules, regulations and legislation	Exchange relationships Formalised, legal contractual arrangements	Social/communal relationships Social charter Compacts Negotiating Tables
<b>Influence orientation</b>	Dependent	Independent	Interdependent
<b>Management Strategy and core tasks</b>	Top-down, Command and control, Planning, Organising, Staffing, Directing, Coordinating, Reporting, Budgeting	Arms-length transactions, Negotiated interactions, Performance specification, Bargained outcomes	Relational management, Activating, Mobilising, Framing, Synthesising

It should be noted however that the three governance types represent idealised governance modes and that in practice there is almost no pure type. For example there can, in fact, be hierarchies and/or markets as parts of networks, market arrangements in state modes and hierarchies in markets (Ouchie, 1980; Larmour, 1998; Lowndes and Skelcher, 1998).

Thus, as Bradach and Eccles (1991: 289) observe; “The ideal types ... serve as a useful starting point ... The assumption that these mechanisms are mutually exclusive, however, obscures rather than clarifies our understanding ... Price, authority and trust are combined with each other in assorted ways in the empirical world”. Further, as Lowndes and Skelcher (1998) have demonstrated the form of governance and management applied can shift according to the particular life cycle in which the organisation or network is situated. That is, governance modes can overlap and even co-exist throughout the lifecycle of an endeavour. In addition, all three governance modes can be used simultaneously. The ability to shift between or draw from different governance modes allows for the establishment of hybrid organisational and networked arrangements and provides the need for management strategies that are able to bridge the gap.

As pressures for flexible and adaptable organisational forms continue, hybrid arrangements will proliferate and require researchers and administrators to establish more solid analytical and practice frameworks to better manage these mixed entities. As a first step in this process, there is a need to differentiate between hybrid inter-organisational networks that are primarily strategic and independent arrangements and, hybrid networks comprised of interdependent entities.

### **Hybrid Organisations and Hybrid Networked Arrangements: A Point of Differentiation**

Hybrids are defined as organisational arrangements that draw on more than one governance mode and are comprised of mixed institutional arrangements (Borys and Jemison, 1989; Powell, 1987; Schaeffer and Loveridge, 2002). That is, by combining market contract, formal structural arrangements and relational trust, hybrids operate at the intersection of the idealised models and set the context for mixing and matching between the domains. The capacity to mix and match across governance regimes and associated structural arrangements provides the potential for a myriad of combinations and recombinations of hybrid inter-organisational types (Kanter, 1989; Borys and Jemison, 1989).

Of the universe of potential hybrid types, alliances, joint ventures, mergers, and partnerships are the most commonly identified. As Kanter (1989) indicates, these hybrid arrangements all represent a move from the reliance on conventional unitary organisational forms to shared arrangements between organisations and are characterised by differing levels of connection and commitment. While often discussed as 'networks' such hybrid inter-organisational forms, with their continued emphasis on self-interest and performance, predominantly retain their market governance influence. Thus, although there is a trust relationship in place by virtue of the ongoing exchanges, these are not true networks since the predominant governance mode is based in a market orientation. In this way, these arrangements should be defined as inter-organisational hybrid arrangements and not network arrangements.

Similar to inter-organisational networks based in the market mode, network governance arrangements are subject to combinations and recombinations that result in hybrid network forms based in power, trust and contract (Lowndes and Skelcher, 1998; Brown and Keast, 2003). Further, Mandell & Steelman (2003) indicate that there are many choices of inter-organisational innovations or networks. These arrangements differ on a number of characteristics including the orientation of the members (problem orientation & commitment to goals), how the members are organized (intensity of linkages & breadth of effort) and what the entity hopes to accomplish (complexity of purpose & scope of effort) (Mandell and Steelman, 2003:206-208). In addition they indicate that certain contextual factors also make a difference on how to choose an inter-organisational arrangement or network.

Indeed as Considine, (2002:4) has stated the "network concept conceals an enormously diffuse set of relationships, meanings and engagements". The result of the continued support and utility of integrated working is that a wide array of network forms has emerged. These arrays are argued to sit on an integration continuum from loose and dispersed through to tight and dense connections. Brown and Keast (2003) have determined that there are three significant points on this continuum that these different connections tend to cluster around, defined as the 3Cs – cooperation, coordination and collaboration. Specifically, where the purpose is primarily about information sharing and limited adjustments between organisations loose links and cooperative mechanisms are sufficient. However, if there is a need for an alignment of resources and people but still retaining some level of autonomy, coordination as a linkage mechanism is required. In situations where complete systems and relational change is needed, collaborative networks based on tight and dense connections become necessary. These integration processes are not static and shift along the integration continuum, depending on their purpose, level of connection required and volatility of their environment. Nevertheless, despite the differentiation made available through such combinations in these formations, network governance is argued to have "continuing importance as the sub-structure" (Lowndes and Skelcher, 1998: 320).

Similar to hybrid inter-organisational market networks, these hybrid network forms have multiple possible governance aspects, leading to the need for different management and structural arrangements. Case studies of different network types are examined to demonstrate that in network hybrid arrangements, relational governance presents as a base construct but other governance modes supplement and come to dominate at different times under differing circumstances. Network management strategies then, need to be able to adjust to accommodate these shifting stances.

In the following section, three different case studies of how these different governance and management techniques apply are outlined and analysed.

### **The Chief Executive Officers' Human Services Committee <sup>1</sup>**

In recognition of the need for both horizontal and vertical integration at the highest levels of the public service in order to facilitate enhanced policy development and service delivery in the human services arena, a Chief Executive Officers' (CEO) Human Services Committee was formed within the Queensland government to provide support to the Human Services Cabinet Committee. This network was comprised initially of ten state government departments with broad responsibility for human service policy and delivery.

The CEO Committee had a particular focus on developing coherent policy and service delivery framework and fostering a whole-of-government approach that had the potential to link government agencies in the human services sector (CEO Interview, 8 May 2002). An earlier iteration of the CEOs' network was primarily involved in informal networking in which interpersonal aspects between members were the key linkage points. While this was "promising but limited" (Interview), a growing imperative for deliverable outcomes by the Government introduced a more formalised, structured and directed approach to joint planning and programming to achieve the government's priorities and goals. Closely adhered to the centre of government, it was also underpinned by a suite of strong bureaucratically-oriented management mechanisms including a clear mandate for action, defined terms of reference, a structured agenda, and time-specific reporting schedule. All of these are associated with the state domain and conventional vertical management techniques.

However, along with these vertical processes, it was recognised that enhanced horizontal relationships continued to be necessary to produce improved cross-department outcomes. For example, it was stated; "Interpersonal relationships are critical to the success of these emerging cross-department and cross-sector network arrangements" (Interview 21 February, 2002). Attention to relationship building and maintenance proceeded by way of participation at working parties, ongoing work liaison and the requirement for CEOs to accompany the Premier of Queensland to Community Cabinet meetings on a number of week-ends each year. It was generally agreed that the regular ongoing process of meetings was a significant contributor to the "breaking down of the turf barriers between organisations. On this it was stated; "monthly meetings allowed a familiarity to develop ... and you have a much better collegiate approach to understanding where each department is coming from" (Interview 21 February, 2002). In these relationship-moulding activities, there is some effort evidenced to utilise network management strategies.

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<sup>1</sup> The CEO Committee and the Family and Youth Connections Network case studies are drawn from *Integrated Human Services: The Role of Networked Arrangements*, R. Keast Unpublished PhD manuscript 2004.



The impact of this mix of horizontal relationship building coupled with a formalised, structured and vertically aligned approach to whole-of-government integration was the shift from a committee structure to a network and the achievement of some cross-cutting initiatives that moved beyond narrow sectional outcomes to produce broader gains for the whole public sector which were not possible through conventional modes of operation, such as committees or taskforces.

### **Family and Youth Connections Network**

The Family and Youth Connections network was created with the objective of bringing together the full set of service providers in the Gold Coast Region of Australia involved in the provision of services and support to homeless young people and their families in order to provide a seamless service delivery model. A key initial integrating mechanism for the network was the Memorandum of Understanding (MOU) developed by network members to guide their interactions and service delivery processes. Essentially the MOU set out the terms of engagement for the network in which each party agreed to retain their individual organisational autonomy, structure and management system, but to work together on agreed projects (Reconnect MOU, 2000). The MOU set up a supplementary market governance mode that required a focus on contract and specifications of contribution and commitment.

Another key integrating mechanism used centred on the distribution of set of funds that was used to assist network members to provide more seamless case-work service provision. On the integrative potential of these brokerage funds, it was stated they: "... pull the services together into an integrated package". In doing so, clients do not have to "work their way around the agencies". Also, with brokerage no one agency owns the clients. There is a sharing of resources and a sharing of power (Interview 22 November, 2001). The ability of the brokerage funds to 'smooth over' network relationships and tap into and utilise the diversity of people within the network was also acknowledged (Interview 4 July 2002). These market-derived mechanisms such as brokerage, tender management and regulation and review provided the basis for the network members to come together and to leverage resources, legitimacy and impact and drew on processes aligned with the market mode including the management tools of negotiation and bargaining around contributions and commitment.

The formation of the network was underpinned by a network governance direction based on the establishment of strong relationships as the basis to achieving collective action: "We knew that relationship building was central to the network's operation and especially to achieve change and outcomes" (Focus Group, 12 November, 2002). Within the network the relationship building process centred on learning about each other, developing trust and achieving some small collective wins. The relationship building process took place and was facilitated around a regular schedule of network meetings as well as a succession of workshops focused on determining the direction the network could take and beginning to develop joint plans. The network co-ordinator drew on the network management strategies of activating, mobilising, framing and synthesising to mould the network members into a cohesive unit and ingeniously threaded these relationship aspects with market management strategies.

Thus, within the network a range of network management processes and instruments were developed in order to guide their actions and maintain network linkages. These

included a memorandum of understanding, the use of brokerage funds, regular network meetings and the employment of a network coordinator to mould the group. As a result of this strategic mix of governance aspects - institutional and managerial strategies, the FYC was successful in improving case management and support services to homeless young people and their families (Reconnect, 2001a). Through the clustering of services and their improved relations the previous overlap of effort and duplication of resources was avoided or at least substantially minimised. Beyond the seamless provision of case management services, the network was able to make inroads into the development and implementation of joint projects that would not have been previously possible.

### **Network Management in a Collaborating Network Arrangement: The Family Community Council <sup>2</sup>**

The Family Community Council was formerly known as the Pasadena/Altadena Community for Youth Planning Council. It began in 1993 based on support by the Los Angeles Children's Planning Council. The money was given to develop a local planning council in the Pasadena/Altadena area. The council was to be formed in order to test the process of developing a comprehensive and integrated plan for the area. In addition, it was charged with looking at the barriers to planning and coordination in the area. From the outset, the officials involved in this endeavour were not satisfied to conduct "business as usual". They decided, instead, that they would open up the decision-making process to all relevant groups, both inside and outside the government arena. As a result,

(T)he FCC includes members of the Pasadena City Council and the Altadena Town Council; representatives of the city manager's office and the chamber of commerce; chairs of existing collaboratives and/or coalitions; representatives of youth and consumer groups; and staff from city and county departments. In all, nineteen public and private partners came together...(Mandell, 2001: 133)

This group was formed with the full support of the government bodies in Pasadena/Altadena, but with the understanding that this was to be a "collaborative and equal partnership between government and communities in the way that it was organized and throughout its operation" (Mandell, 2001, 139). In fact, one of the founders of this group indicated that "no-one is excluded from the table" (Mandell, 2001: 139). Although this makes for a "messy" process at times, the group has not wavered from its original direction. As a result, the group includes: "all human-services providers (both public and private); the cities in the area; representatives of the educational, recreational and police departments; nonprofit organizations; ministerial alliances; people representing the PTA, the Junior League, and others (large groups of volunteers involved with issues concerning families and children), and other representatives" (Mandell, 2001:139)

Based on the above information, it can be seen that this effort was based on the collaborative network model. Although it also has some elements of a coordination network, the main emphasis is on the need for collaboration. The way the effort was set up and maintained also reflects an emphasis on network management. The fact that at the outset everyone involved in the issues were invited to the table, including those who were most influential in the community show an emphasis on the need for

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<sup>2</sup> This case study is based on work done for The Los Angeles Roundtable for Children by Dr. Myrna Mandell. Information on this case study can be found in "The Impact of Network Structures on Community", M. P. Mandell in *Getting Results Through Collaboration*, M. P. Mandell (Ed.), 2001, Quorum Books: Westport, Ct.

activation. Throughout the interviews it was clear that those involved in setting up the effort trusted that all who were invited to the table would have something to offer. By focusing on the whole picture and not just any one agency, those involved were involved in the tasks of framing and mobilizing. They made clear that not any one agency or organization would dominate or impose their views on others. Everyone was to have an equal say in the decision-making process. Basically, everyone had something to offer and there was a need to understand and accept the views of others

The participants have also been involved in synthesis: trying to deal with the conflicts arising from membership in the network and representing individual organizations. The emphasis on the professionals “stepping back” shows the commitment to changing the way these organizations have always operated and engaging in a new type of process. Making it clear that they wanted even youth and parents to be part of the decision-making process showed their commitment to changing the roles of those involved.

## Discussion

The previous section has highlighted some variations and similarities between the three network cases, which are represented in Table 2.

**Table 2: Summarising Governance Mix and Management Strategies**

<b>Network &amp; Purpose</b>	<b>Governance Mix &amp; Nature</b>	<b>Management Strategies</b>
Chief Executive Officers' Human Services Committee  Whole-of-government integration & coordination	Hierarchical Authority (Mandate & formalised structure)  Relational governance (Informal contact, ongoing work liaison & Community Cabinet Meetings)	<u>Bureaucratic Management</u> Structured and delimited agendas, specified outcomes, strict reporting schedule, joint planning.  <u>Relational Management Limited</u> - Relationship building, framing
Family and Youth Connections  Seamless service delivery and cooperation	Market contract & agreements (Tendering, brokerage fees, MOUs)  Relational governance (informal contact, ongoing work liaison, workshop participation)	<u>Market Management</u> , Regulation and performance monitoring Exchanges of information & resources  <u>Network Management</u> Activating, framing, mobilising and synthesising
The Family Community Council  Collaborative problem solving	Relational governance  Presence of limited hierarchical authority through government actors	<u>Network Management</u> Activating, framing, mobilising and synthesising  <u>Bureaucratic Management</u> Joint planning, reporting upwards, coordinating

The three different case studies show that a predominant feature of networked arrangements is that network or relational governance is present and provides, at least, the base governance mode. However, that for different cases and even at different stages in the life cycle of each of the network cases, other governance

modes are evident. These mixes result in different relationships between network members and require associated mixes in institutional arrangements and management styles.

In some forms of networks the focus is on the sharing of information and expertise and there are only minor changes required to achieve this outcome. In these cases of loose networking, governance aspects will reflect primarily relational governance and some degree of hierarchy or vertical integration, therefore management strategies will be based on some level of network management together with more formal mechanisms such as committees and pre-defined structured action. Other networks are more formalised and purposefully structured to secure an alignment of existing activities of the members and to reduce duplication of effort. While retaining an underpinning relational governance structure these examples may draw on either market or state aspects. Management in this context will proceed either by way of contract management and performance review processes and/or bureaucratic structure and control. Finally, for those collaborating networks such as the Family Community Council, in which there is a need for systems change, they usually involve a high degree of risk and have a predominant focus on building and sustaining ongoing relationships.

Although hybrid inter-organisational networks and hybrid networked arrangements present as alternative and successful ways of organising, they clearly present different management challenges than those found in conventional single unit organisational arrangements. The task for those responsible for the operation of these networks is to be able to mix and match the array of solutions and strategies to meet the particular service requirements. Each of these modes has merit and application, and depending on what is hoped to be achieved, none is necessarily better than the others. However, unless there is a focus on how these networked arrangements are different, how they are managed will continue to be misunderstood and difficult to operationalise.

## **Conclusions**

In the current complex environment in which public programs now operate, the role of government (and other groups) has moved from not only managing programs in the state and market modes, but also to managing networks (Kickert et al, 1997; Rhodes, 1997). Although much has been written about network management, it is still not clear how to achieve this (Agranoff and McQuire, 2001a &b) or if, indeed, it makes a difference (Milward and Provan, 2001). This research has proposed that the mode of governance impacts on the form of management utilised and this aspect is particularly important when considering optimal management strategies for hybrid inter-organisational arrangements and hybrid networks. The case studies investigated and analysed have demonstrated that there is evidence of mixed governance modes but in each there is a network governance presence.

This research indicates how the choice of a networked arrangement has an impact on the management of these arrangements (network management). This paper identified the different governance modes and showed how the dominant governance mode underpinning each of these hybrid arrangements makes a difference in what is meant by network management.

By introducing the concepts of inter-organisational hybrid arrangements and hybrid network arrangements it becomes clear that network management is not straightforward. Network management is not a "one size fits all" concept. Instead, different forms of network management are needed depending on the nature and

composition of hybrids. Not only do the choices of networked types make a difference, but the way management techniques are selected in these networks becomes important. By understanding both the way networked arrangements are differentiated and the governance mode underpinning them, knowledge of network management is greatly enhanced.

The case studies have shown that the predominant mode of governance in all three is the network governance mode, although other modes of governance may also be present. Distinguishing management strategy from mode of governance facilitates a more critical analysis and affords a more nuanced approach to network design and operation. The central challenge lies in selecting between different modes of governance and being able to match the appropriate management strategies.

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