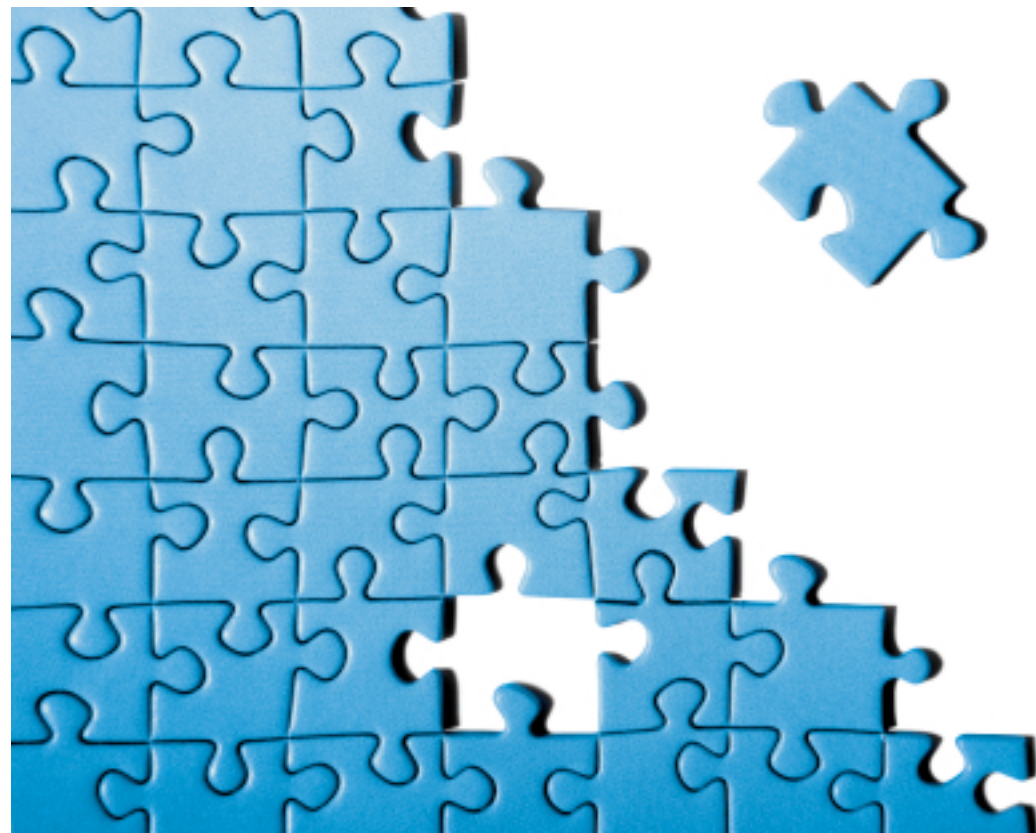


Inter-organizational Networks



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An Introduction to Inter-organizational Networks (IONs)

When a group of organizations, agencies, and/or institutions agree to work together for some period of time on a common problem or opportunity, they form an entity that is known by many names—consortium, collaborative, network, coalition, partnership, or alliance. In examining these structures through the lens of science, researchers have created their own labels—inter-organizational network, trans-organization, trans-organizational system, and more. In this article, the term Inter-organizational Network, or ION, is used to refer to these structures.

Most people are aware of IONs to some level, and many have likely been a part of one at some point. IONs are found everywhere in society—throughout communities, within the nonprofit sector, the business community, and government. These networks cross boundaries and often include multiple stakeholder groups from a number of sectors that have an interest in the goals and success of the ION. The degree of formality found in the structures that hold these entities together varies—some are governed by formal agreements and contracts, while others are held together by the informal, verbal agreements of members. Some are formed with clear-cut objectives and dissolve when these are reached, and others come together and meander along indefinitely with vague goals that constantly shift. Some experience various levels of success while others accomplish little and quietly fizzle from existence.

IONs are the focus of this article. In the paragraphs that follow, the how and why of ION formation and function is discussed. This includes an examination of the underlying structures needed to hold IONs together and a discussion about the important ingredients needed to ensure ION success. For those working inside IONs, the article offers a framework that can be used to assess the relative functionality of an ION, and provides a brief glimpse at useful tools that help improve ION performance.

The Significance of IONs in Society Today

IONs are typically formed to address large-scale problems that are beyond the scope and capacity of any single organization functioning alone. They often work to tackle some of the most significant problems faced in society today—poverty, climate change, public health, hunger, homelessness, economic and race discrimination, and more. These and other seemingly intractable problems are growing in their levels of complexity and, as populations increase, the complicated phenomena that enshroud them will likely grow in breadth and depth. Some have called these large-scale, societal-level problems “wicked” [1] and “messes” [2], and note that, unlike smaller-scale problem, these have unique characteristics:

- ⇒ They transcend societal boundaries—jurisdictional, organizational, functional, socio-economical, and generational. These problems do not fit neatly into the boundaries of any domain; they exist across all of society.
- ⇒ They are difficult to describe because societies and communities seldom share a common world-view or paradigm that allows for commonly shared meaning, definition, and causality. Cause and effect for one person is not the same for all. For example, some believe that individuals that live in poverty do so simply of their choosing, while others believe that individuals remain in poverty because it is a generational cycle that is difficult to break.
- ⇒ Complex problems are often messy tangles of multiple related and interdependent problems making it virtually impossible to disentangle root causes. Further, this entanglement often prevents the tracing of outcomes to specific interventions.
- ⇒ The time horizon required between problem-solving actions and their results is so long that during the lag between intervention and outcome, other interventions are implemented while the environment constantly changes and evolves. This makes it virtually impossible to isolate and assess the effectiveness of any implemented solution. As a result one can never be sure if what is being done is truly making a difference.
- ⇒ Last, as noted by Luke, intractable problems of this sort do not “...yield readily to single efforts and [are] beyond the capacity of any one agency or jurisdiction” [3].

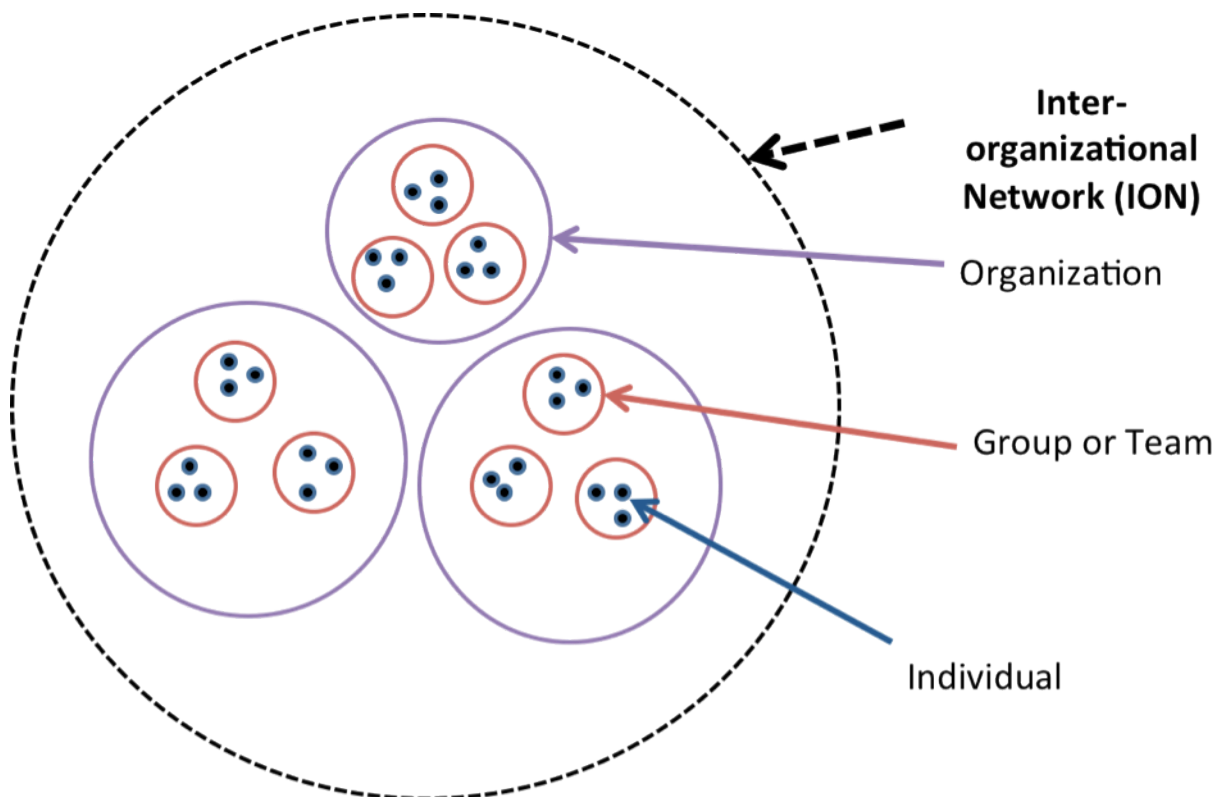
These wicked messes cannot be solved by individuals or organizations working alone. Rather, they require large-scale concerted efforts that cross multiple boundaries and a level of creative and innovative problem-solving that can only be generated by resonant groups [4]. Here, the ION is a formidable force capable of solving these large-scale intractable problems. Albert Einstein’s (1879-1955) famous quote illustrates this concept: “No problem can be solved with the same level of consciousness that created it.” Complex problems must be solved through equally complex and large-scale solutions implemented over time. Over-simplified cause-and-effect reasoning of individuals resulting in over-simplified solutions will not untangle these messes; ironically, these simple and ill-formed interventions may even contribute to their unyielding nature.

It appears paradoxical that given the significance of many of the issues IONs face that relatively little is known about what determines their success and other causes that can lead to their

failure. What accounts for the level of success experienced by some IONs and the lack of results by others? While there are various theories and ideas, there appears to be no simple answer. Furthermore, research has yet to develop a unified theory or definitive body of knowledge to answer this important question. What is generally agreed upon by researchers, practitioners, and members that participate in IONs is that these structures are difficult to form and manage. In fact, the effort needed is often so difficult and perilous that Chris Huxham, a regarded theorist that has worked to help parties develop IONs for years, warns those wanting to create these structures: “Do it only if you have to” [5]. Said another way, developing and operating a functional and effective ION is often so difficult that the benefits derived must far out-weigh the needed efforts and costs. Yet, large-scale problems require the large-scale efforts of IONs. Hence, developing a deeper understanding of how they form and what is required to ensure their success is vital.

Unit or Level of Analysis—a Key Issue for those Working in and Supporting IONs

For a number of reasons, individuals do not readily think or reason at the ION level. One contributing cause is the norms and paradigms that orient individuals to think at the organizational, team, and individual levels. Formal education in the organizational sciences further reinforces these paradigms, where IONs are seldom included in instructional materials. Popular under-graduate and graduate texts in the organizational sciences seldom address the ION as a unit of analysis. The figure below helps to illustrate the ION as a unit of analysis. It identifies the individual as the core ingredient of groups or teams, and these teams comprise organizations. When multiple organizations agree to work together, an ION is formed.




The tendency to both view and rely on the organization, the group, and/or the individual as the predominate unit of change in society is often a key reason why IONs often have limited results. Organizational-level efforts are frequently supported while ignoring or having limited awareness of the importance of the ION to address large-scale problems. This often results in the mistaken notion that supporting and improving one or more organizations' effectiveness and reach will address a problem that only an ION can truly affect. Using a sporting metaphor, this is the equivalent of focusing on building the competence of individual members of a team while ignoring how well these members function as a collective or unified whole. This results in a poorly performing team comprised of highly competent members—a phenomenon that recurs with regularity in sports.

Considering level of responsibility is another important reason individuals tend to think and act at the organizational level. When individuals are active members of IONs, they often represent multiple entities and have responsibilities toward each. Organizations that are members of IONs are usually represented by a single individual, and this individual is likely to belong to multiple organizations, each requiring some degree of loyalty to its goals and objectives. For example, the executive director of an organization that works to reduce youth violence may be a member of an ION. This same person may also be a volunteer working with disadvantaged youth. This multiple representation creates different levels of responsibility and accountability that sometimes conflict. In the end, individuals often remain loyal to the organization that provides them the greatest amount to resources, often in the form of remuneration, creating a *be-most-loyal-to-the-hand-that-feeds-you* dynamic. This dynamic can work against the goals of the ION at times.

ION Formation and Development

One or several individual stakeholders aware of and concerned about a problem or issue may come together and agree to create an ION. Though not linear, once initiated, functional IONs typically develop along a continuum of overlapping but distinguishable phases, moving from a state of no-development to a fully developed phase [6]. Each phase is recognizable by predictable characteristics and behaviors of ION members. The figure below notes each of these phases, as well as the main tasks ION members typically undertake during the phase, the key interventions those facilitating or leading IONs should be mindful of, and the important themes to bear in mind during the phase.

Developmental Phases of Inter-organizational Networks



| Phase | Developing (Courtship, Considering) | Early Steps (Engagement, Selecting Partners) | Formalizing (Setting Up, Housekeeping) | Operating (Bridging, Resolving Differences) | Performing (Evaluating, Modifying) |
|----------------|---|--|--|---|---|
| Main Tasks | <ul style="list-style-type: none"> - Evaluate necessity of ION - Conduct cost/benefit analysis - Research problem | <ul style="list-style-type: none"> - Stakeholder identification - Stakeholder engagement - Recruiting members | <ul style="list-style-type: none"> - Develop communication protocols - Develop governance structure - Gain goal clarity - Clarify roles of each member | <ul style="list-style-type: none"> - Acquiring resources - Develop common language - Develop normative culture | <ul style="list-style-type: none"> - Evaluate functionality of ION - Make adjustments as necessary |
| Key Activities | <ul style="list-style-type: none"> - Conduct, publish research of problem - Advocate for ION formation - Fill needed leadership role | <ul style="list-style-type: none"> - Stakeholder mapping - Education and training - Elevate client to center | <ul style="list-style-type: none"> - Facilitate infrastructure development - Teach group process skills (communication, conflict resolution, active listening) | <ul style="list-style-type: none"> - Surface norms and adjust - Facilitate common language development - Deepen social bonds and trust | <ul style="list-style-type: none"> - Provide objective assessment - Feedback and facilitate modifications - Surface dysfunctional norms and adjust |
| Key Themes | <i>“Do it (form an ION) only if you have to.”</i> | <i>“Complimentary skills among members are essential.” “Compatible objectives must align.”</i> | <i>“Distribute power equally among the group.”</i> | <i>“The competition does not go away.”</i> | <i>“No plan survives first contact with the opponent.”</i> |

Table Sources: Sources: Das, T., & Teng, B. (1997). Sustaining strategic alliances: Options and guidelines. *Journal of General Management*, 22:4, 49-63; Kanter, R. M. (1994, July-August). Collaborative advantage: The art of alliances. *Harvard Business Review*, 96-108.

Considerable development of each phase is an important factor in the ION reaching a state of functional maturity. Said another way, the developmental milestones of each phase must be completed before the next can be undertaken. If not, the incompleteness pervades each subsequent phase and jeopardizes the maturation and effectiveness of the ION. This is the equivalent of constructing a well-crafted building on a faulty foundation. Though attractive, the building is not fully functional.

During the early stages of ION formation, a host of important and critical decisions are made, and at times, members may unwittingly make seemingly simple choices that have long-term consequences. Group-development models show that in the early stages of formation group norms emerge and become solidified into practice [7]. While some norms enable or facilitate productive ION functioning, others may inhibit productivity. For example, a norm of overly polite behavior during ION meetings may develop, and this may suppress the emergence of a culture of constructive dissent during discussions and decision-making, resulting in the widely known destructive phenomenon of *groupthink* [8]. (*Groupthink* occurs when members of a

group focus on maintaining polite and cordial behaviors, thus avoid difficult or uncomfortable discussions when exploring alternatives to decisions.)

The Architecture of IONs

Like any collective effort, IONs require certain underlying structures to enable efficient coordination and functioning among multiple members. These systems and structures can be thought of as the “core ingredients” or “building blocks” of IONs. Researchers have deconstructed IONs over the years to examine their core components, and have uncovered a list of these with some degree of consistency [9]. The table below highlights four different groups of theorists and practitioners that have published articles that explicate the building blocks of IONs. Each publication’s findings are synthesized into a main component or core ingredient noted in the far left-hand column.

| Core Ingredient | Source | | | |
|--------------------------------------|---|---|--|---|
| | Mattessich, Murray-Close, & Monsey (2001) | Huxham and Vagen (2005) Identify “common themes” across IONs | Goodman, Speers, Mcleroy, Fawcett, Kegler, Parker, Smith, Sterling, & Wallerstein (1998) | MacLellan-Wright, Anderson, Barber, Smith, Cantin, Felix, & Raine (2007) |
| Trust, Respect | - Mutual respect and trust | - Trust - Distributed power among members | - Trust, confidence - The ability to generate cooperation - Distributed power among members | |
| The “Right” Stakeholders | - Appropriate cross section of members | - Appropriate or “the right” stakeholders | - Participation by the right group of diverse members - The ability to exclude inappropriate members | - Engaged, representative members |
| Readiness, Willingness | - Benefits of membership match or outweigh the costs | | - Readiness | |
| Group Process Skills | - Ability to compromise - Flexibility - Role clarity - Group norms - Adaptability | - Group process skills - Governance structures | - Group process skills including conflict resolution - Cooperative decision-making norms - Shared values among members | - Appropriate group member skills, knowledge, and learning |
| Communications Infrastructure | - Open, frequent communication - Communications links | - Communications infrastructure | - Communications links and channels | - Effective method of communication |
| Common Goals & Objectives | - Concrete, attainable goals - Shared vision and purpose | - Common goals (aims) | | |
| Leadership | - Leadership - Legitimacy in community | - Active leadership function | - Skilled, competent leadership with certain traits | - Accountable leadership |
| Resources | - Sufficient funds, materials, staff, and time | - Social, political, and economic resources | - Access to tangible and intangible resources | - External supports - Internal supports - Linkages to outside community |
| Sense of Community | - History of collaboration within community | | - Sense of community - Understanding community history | - Sense of community |
| Metrics, Self-Evaluation | | | - Metrics, the ability to reflect and self-analyze and adjust as needed | |

Combining Ingredients

Just as ingredients or raw materials must be combined or assembled make a finished product, so, too, these core components must be brought together in such a way as to produce a functioning ION. More importantly, the manner in which these raw ingredients are combined plays an important role in the quality and character of the ION as it works to produce results [10]. The primary method in which ingredients are combined and assembled together is through the interactions of ION members. For example, a communications infrastructure—a mechanism that facilitates communication exchanges between and among ION members—is an essential component of a functioning ION. However, ION members must neither over- or under-use the infrastructure. Further, interchanges between ION members must be built on a foundation of trust, supported by the notion that each member holds similar degrees of power. If these interchanges are not grounded in trust, they become meaningless and ineffectual. Moreover, IONs must have an active leadership to function. However, a leader with an inappropriate leadership style or approach may inhibit ION functioning and reduce its effectiveness.

ION Performance

When IONs are operating with some degree of efficiency they produce observable outcomes. The most basic outcome can be thought of as *performance*—the ION is accomplishing its goals with some degree of efficiency [11]. In addition to achieving its goals, functional IONs also produce other observable outcomes to some degree. These include:

1. Collective Intelligence leading to Innovation—social intelligence models show that under certain conditions, groups can produce a level of intelligence that is beyond the capacity of the individual. This *social- or group-mind* is believed to have superior cognitive and creative abilities [12].
2. Pride and Confidence – functional IONs that accomplish goals build the confidence and pride of members. This translates into a developed competence that can be unleashed on other large-scale problems.
3. Learning, Growth, and Development—individual members and the ION as whole grow and develop as it continues to successfully accomplish its goals and objectives. Members learn from one another and this knowledge exchange has an exponential effect. As a result...
4. Knowledge Proliferation—successful IONs contribute to the learning and growth of its members, and these individuals often cross-pollinate this learning to other IONs of which they are a part. The result is that the competence of society-as-a-whole to function as a collective is increased.

Assessing ION Development and Performance

As noted earlier, IONs typically evolve through various phases of development. As a result of significant changes to membership, mission, and/or purpose, it is feasible to expect some IONs to de-evolve, or revert to earlier developmental phases as they reorganize. Facilitators and

practitioners working with IONs can assess the level of maturing or development using both formal and informal tools, and use the results of the assessment to craft specific interventions to help IONs mature in a functional manner.

Further, not all IONs produce the full array of outcomes nor do they enjoy success. When IONs are not functioning properly, there are methods to assess or diagnose these deficiencies and craft specific interventions to remedy the same. While no unified theory of measuring ION performance exists, many theorists and practitioners believe that underperforming or dysfunctional IONs can be improved [13]. This is accomplished through assessment and intervention. Assessments can include examining ION structure to determine if all core ingredients are present. If not, then interventions include the development of the missing ingredients and integration of these ingredients into the ION. Further, the nature of ION member interactions can be assessed, and interventions designed around the outcome of these assessments. For example, if through assessment it is determined that ION members have low levels of trust among themselves, interventions that bolster and develop trust can be implemented.

Conclusion

When society is faced with large-scale, complex, and seemingly intractable problems, IONs can create and implement innovative solutions. However, developing functional IONs that efficiently produce results is no easy task. Many well-intended efforts have resulted in collaborative inertia. The systems, structures, and skills needed to ensure IONs operate effectively must be deliberately constructed and built. When care is taken to do so, the ION can be a formidable force in affecting change at the societal level.

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