

# INTER-ORGANIZATIONAL NETWORKING

by David Norton Smith\*

*with contributions from A.J.N. Judge*

Both social science literature and practical experience show that networking benefits the organizations themselves and advances their common goals. This paper will be dealing with Inter-Organizational Networks (know as IONS), their functioning and operations and the special characteristics of this style of cooperation (1).

## What is a network ?

The term « network » is used to refer to any pattern of interrelationships among people or organizations where each is linked or connected to every other person or organization in the pattern, directly or indirectly.

There is a social science term which we use here to represent these people or organizations in a network : « **node** ». This term allows us to talk about networks abstractly without specifying the type of participant, or the particular type of network, under consideration (e.g. TV stations, libraries, or organizations serving or working for the handicapped). The **connections between nodes** in a network can be called by many names-branches, channels, relationships, linkages, etc. Here we will use the term « **link** » and define network as : **a pattern of links among nodes that are reachable from every other node**. Therefore, if a possible node has no **links** to a network, it is not part of that given network.

**Networking** is simply the process of helping to form, maintain, enhance or otherwise contribute to the existence and effective functioning of a network. **Networking is working** to help a network,

rather than being passive or working to harm it (which we call anti-networking). But these definitions are just the bare bones of networks and networking. The meat on the bones is a kind of spirit, tone or style of working together for a common goal or goals. Some of this style is captured by certain phrases and terms which are often said to characterize networks and networking : group consciousness, cooperative processes, seeking of group consensus in action, a whole that is greater than the sum of its parts, lateral and bilateral rather than vertical and hierarchical relationships, two-way communication, multi-directional flows of information and other resources, equality, accessibility, flexibility, responsiveness, synthesis of opposites and integration of differences in service of a common goal, sharing of some common values and objectives-perhaps even common biases.

## How are networks different from other kinds of groups or systems ?

Networks can be thought of as loose kinds of coalitions whose **members** are groups. Networks represent a special kind of organizational form that can be contrasted with several **other** common organizational forms. The most common organizational form in the world is the **hierarchy**, where some person (s) or group(s) at the top controls the flow of information and resources and decisions to all the other persons and groups in the Organization. Government agencies and business firms generally have the hierarchical form, as do most non-profit organizations. This structure works best when the organization has rather clear-cut goals which are more or less unchanging. The main difference between the hierarchical organization and a network is that

**in networks** (especially in complete networks where every node can communicate with every other node directly) there is very extensive communication in all directions. There is no sense of top and middle and bottom as there is in the hierarchical organization. And further, **in networks** collective decision making makes use of inputs from all nodes, and a consensus is reached. A second major alternative to the network form of organization is the **formal coalition or coordinating council** (federations, confederations, etc.) involving three or more members that have joined together formally in pursuit of some common goal or purpose. In a coalition there is more communication and consultation among the members than in the hierarchical organization and somewhat less power differentiation. However, there is still a top and a bottom, the leaders and the led, and decisions are made by a small proportion of the total membership and not by general consensus. They are usually more closed and exclusive than networks regarding the admission of new nodes: and they have more concern with formal bureaucratic structure. In the **ideal, complete network** all nodes communicate with and know about the other nodes. When something useful to other nodes in the network is produced, discovered or obtained, any node can and will initiate the action involved in disseminating this resource to all other nodes - or perhaps only to those nodes that are known to be interested in the particular resource. There is no hierarchy at all in any formal sense, in the ideal network. Equality prevails in terms of power, and decisions are reached by consensus among all nodes, ideally. Nodes seek ways to cooperate with each other. The network is viewed as an evolving organism to which each node can and should contribute in order that the ultimate goals and objectives of the network can be achieved. The individual self interests of

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(1) In this paper, the term « network » is used exclusively to refer to IONS.

nodes are moderated to an extent, usually through negotiation and compromise, in order to avoid unnecessary duplication of activities. Through conscientious self-examination, the nodes of the network identify needs and gaps in current activities of the network as a whole and take action to fill in those gaps in the interests of the larger purposes of the network. As the external circumstances and needs change, the network adapts by making changes in the number and nature of its nodes and in their interactions with each other. When a network is no longer useful in terms of relevance to the problem or purpose for which it was formed, it fades away with relatively few tears, for there is no entrenched bureaucracy of the network itself to try to keep it going as an end in itself after it has outlived its usefulness.

### What are the functions, advantages, and disadvantages of networks ?

Both hierarchies and formal coalitions have their functions, their advantages and disadvantages. But here we are concerned with the special values of, or problems with, networks. Here are a few of the special functions of networks : Expressing and Working for Common Goals

- Expressing common concerns and shared values in order to foster change, protect shared ideas from distortion, or identify all problem solving options; translating these options into collective action.
- Using scarce resources cooperatively, becoming noncompetitive in order to accomplish shared goals. By-passing bureaucratic constraints or levels of authority in order to increase effectiveness.
- Sharing risks of innovation so that no single node risks its existence on an important or untried new approach or problem solution.
- Providing economies of scale (efficiency from larger volume of activity).
- Undertaking activities or programs that are too extensive for any single node or that would be impossible without cooperative « turf » -sharing (operating in the same domain of action).
- Supporting the growth and development of each node in the network; mutual self-enhancement rather than mutual conflict.

### Providing Regular Communication Channels

- Providing a regular way of exchanging ideas, information and intuitions about a shared concern; spreading information or awareness about a valued concept; filtering the most useful infor-

mation (or a shared purpose out of vast amounts of information available); directing the right information to the right node (and ultimate user) at the right time.

- Opening up to public discussion, dialogue, and possible solution problems that are poorly dealt with in other organizational forms; providing alternative information flow within or among hierarchies, to unblock them and modify their functioning.
- Providing flexibility to deal with shared problems in an uncertain, ever-changing and very complex environment.
- Promoting rational and predictable relations among the nodes and between nodes and their respective organizational environments, thus decreasing the chaos of uncoordinated pluralism.

• Giving leaders direct access to leaders of other nodes who may be able to provide information or other resources that the given organization lacks. This is crucial since leaders are known to depend more on personal sources of information than on documents.

However, networks are not without their disadvantages also. Some of these disadvantages of networks that have been identified are :

- Difficulty in actually implementing ideal network principles because of the self interest of some of the nodes (tendency for organization leaders to believe that their own organization is the most important and necessary one to solve a particular problem).
- Possible loss of identity or operating « turf » (or domain) by particular nodes.
- Sheer costs of cooperation with other organizations - communication and other interaction costs; requirements of contributing resources to joint endeavors.
- Possible loss of some prestige, power or funding for a node if it joins the network.
- Tendency of nodes to be more concerned with a narrow piece of a large and complex problem than with achieving an overall, integrated solution to the larger problem (organizational « near-sightedness »).
- Unwillingness of some nodes to work with some leaders of other nodes; personality clashes among nodeleaders.
- Perception of one's own organization as being too big, powerful, wealthy, prestigious, etc. to need or be able to benefit from any kind of association with « lesser » organizations; organizational snobbery.

### What is the nature of network links, or how do nodes relate ?

The essence of networking is not the nodes but the kinds of links that nodes can and do make with each other, the ways in which they relate to each other. Here are some of the major types of links

that might be found among various nodes (2):

#### Links Between Node Leaders

- Organization leaders gain indirect knowledge of other leaders and organizations, and then
- Meet frequently or speak often by phone.
- Offer advice, policy or program information on cases, problems, or particular situations being faced by other leaders.
- Serve on boards, committees, task-forces or other sub-groups of other nodes.
- Work jointly on policy making, planning and implementation of specific joint programs or projects among network nodes.
- Encourage their entire organization to improve its general effectiveness and cooperation with other network nodes, negotiating conflicts and dealing with the inclusion of new nodes as well as developing written agreements or clear mutual understanding regarding the sharing of resources.

#### Sharing of Node Resources

- Network nodes are on the mailing lists Of other nodes to receive publications, and reciprocate by sharing their own publications.
- Nodes share, loan, borrow or exchange resources, such as meeting rooms, supplies, even personnel.
- Organizations within the network refer or share their clients, users, cases, or problems with other nodes.

### What organizations should be included in a network as nodes ?

Two considerations are important here. First, what are the scope and objectives of a given organization, and do they fit with the central concern of the network ? Second, given some general fit with the central concern of the network, is the particular organization likely to be a cooperative and contributing member of the network? Unless the answer to both questions is « yes », there is little point in including the organization as a node. Networks are riot « paper organizations ». Networks are joint ventures of cooperating organizations working actively together for a shared concern, values, and goals. Networks are thus organizations in action together, not just a list of organizations that looks good on paper. It is not always easy to tell which organizations really « belong » and will cooperate, however, and often some experimentation or trial and error is in order as a network gets started or as new potential network nodes appear. Openness to appropriate and cooperative new nodes is very important.

The best functioning networks involve organization nodes that not only share a common concern and are cooperative, but also are :

(2) See footnote (a) following article.

- Compatible with each other in providing distinct but interlocking services, information, or other program activities; there is a kind of « organic fit » like pieces of a jig-saw puzzle.
- Open, frank, and accurate about the nature of their resources, programs, and activities in reality (vs. their aspirations).
- Able to offer something of value to other network node organizations, however small or unknown they may be as organizations.
- Realistic about the scope and importance of their activities as contrasted with other organizations in the same field of activity or concern.
- Led by friendly, trustworthy, non-contentious people who are concerned with getting a job done more than with « ego trips ».

### How can networks deal with national, state and action levels ?

Networks can be formed at any level of territorial scope. Many international networks exist. Networks can be homogeneous in the territorial level of scope of their nodes (e.g., all international nodes or all local nodes), or they can be heterogeneous in territorial scope (i.e., some local, some state, some national, some international organizations). There is no single « best » solution here. Networks are formed to fit the problem or need and to help solve and deal with it effectively. Some national or « state » level organizations can be more useful to a basically international network than certain international organizations. Or, some international organizations can be more useful to a basically national network than certain national organizations in that place. Usually the best mix can only be discovered by trial and error, guided by educated guesses of knowledgeable leaders and aided by strong outreach efforts to identify and attempt to include all nodes that might be helpful and willing to be part of the given network.

Networks can be operated so that some nodes are more tightly linked, more active in their cooperation and exchanges, than other nodes. This is particularly useful when the network as a whole includes organizations of different levels of territorial scope. Local networks with a given central concern (e.g., information or services for the handicapped) may be tightly linked among themselves in a given locality, but only loosely linked to other local networks, to the network of state nodes, and to national nodes. If true networking is occurring, international, national and state level nodes will not be cooperating solely with their own official or formal affiliates (e.g., branches, chapters) but with any local nodes of the network that can benefit from the coopera-

tion. Similarly, local level nodes will not be cooperating solely with their own official, formal state or national organizations but also with any other higher level nodes that can benefit from the cooperation. For state level nodes the same is true in both directions, upwards to national and international nodes and downwards to local nodes. This is how networks break out of the usual box of hierarchical forms of organization - putting more value on helping get the job done at all levels than on protecting organizational « turfs » or domains.

### What conditions favor or hinder the development of networks ?

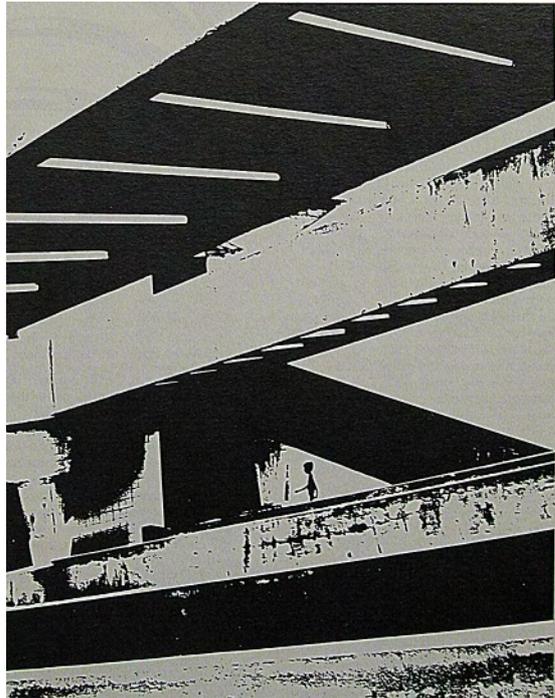
First of all, it is worth recognizing that voluntary agencies and associations in general cooperate a lot less than they could, even less than government agencies and businesses do on the whole. There is much that networks can do to foster co-operation among voluntary groups particularly, and with government

agencies as well. Research has found all of the following factors tend to favor formation of networks, at least in some situations :

Organizations that are :

- Compatible in values and purposes.
- Compatible in clients or ultimate beneficiaries.
- Incomplete, weak, or inadequate to do the job alone-whatever the organizations' goals.
- Service providers to clients or to the public at large (e.g., through advocacy).
- Competitive with each other; having some existing overlap of programs or activities.
- Already to some extent cooperating or interacting with each other, though perhaps at low intensity.
- Able to give and get reliable information about each other (not just hopes and dreams).
- Physically close (though modern means of communication can overcome this) in their headquarters or secretariats.

Photo : Who



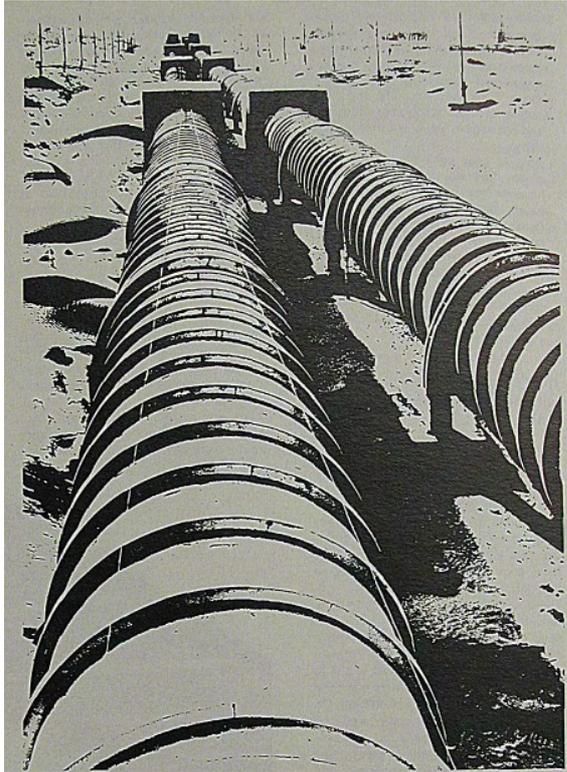
- Complex administrative structures, with more types of positions and more paid staff in general.
- Older, higher in prestige, higher in perceived effectiveness by others, more accountable for their actions, less independent of other organizations in their action, more formalized in terms of having written procedures and making more frequent and specific reports to other organizational levels, more clear in their definition of goals.
- Offering more kinds of services, have developed more new programs and more different sources of suggestions, have more present sources of pressure to develop or implement programs, and receive funding from more different sources.
- Led by persons who are aware of the potentials and alternatives available through networking and of a network's being more than the sum of its parts.
- Feel the need for cooperation with other organizations in both their organization's core and secondary areas of activity, and who perceive such cooperation to be feasible.

The lack or reversal of each of the foregoing conditions would constitute conditions that tend to hinder network formation.

### How can interested organizations actually form a network ?

Social scientists working on a project for the U.S. Defense Civil Preparedness Agencies a few years ago prepared a series of « how-to-do-it » manuals for creating interorganizational coordination, which is basically what networking is all about (see the first item in the accompanying selective bibliography). Their proposed model for the steps to be followed seems to be the best available practical guide for setting up a network. We will only sketch the highlights of it here. Briefly, there are six major kinds of decisions involved, and several of these have several steps within them that need to be taken. All this begins with the assumption that there are some persons who are interested in forming a network (or closer interorganizational coordination) and willing to commit some of their time and organizational resources to help form a network around some central concern or problem.

- Determine the objectives of the intended network : What is to be achieved, or achieved better, through the network ?
- Define the present situation clearly :
  - What are the problems about which something needs to be done ? How are the various problems related ?
  - What is the geographical location or scope of the network to be ? Should it be limited to start with, or should all relevant territorial levels and locations be involved at once ?



- What are the key organizations to be involved initially, chosen in terms of concern, cooperativeness, resources, etc. ?

Key organizations must make their own decisions about networking :

- How much commitment does a given key organization have to the central problem or concern of the intended network ?
- How much commitment does a given key organization have to working cooperatively with others in solving the central problem of the intended network ?
- Do the key organizations have a consensus on their willingness to work with each other all together in spite of possible antagonisms ?
- Representatives of key organizations must make some interorganizational decisions about the nature of the network itself :

- What resources are needed from individual organizations in order for the network to become a reality ? From whom and to whom do these resources need to flow in order to « network » ?
- Is there agreement on an informal network style of coordination rather than on a hierarchical or coordinating council type of coordination ?
- What are the specific objectives of the network for the near, intermediate, and long term, given all of the foregoing ?
  - What is the plan of work and how does each key organization fit into this plan of work in terms of activities, resources, and timing ?
- » Organizations and their leaders and Staff carry out the plans :
- Are the appropriate resources delivered by the designated key organizations at the right time (i.e. meeting deadlines) ?

- Evaluate the operation of the network regularly, and feed evaluation results back into future planning and action :
  - Is the network having the desired impact it was created for ?
  - Is networking worth the effort to those organizations involved, given alternative uses of time and other resources ?
  - What aspects of the network operation might be changed to improve its functioning and impact, its efficiency and cost-effectiveness ?
  - Is the full range of potential impacts of the network being taken into account (see the earlier section on Functions) ?

**How can networks be changed once started ?**

Networks have a tendency to change naturally over time, to evolve and make changes in the nodes and links involved. But here want to talk about how networks can be consciously changed and the different strategies involved. The following are the main possibilities, according to one source.

- Cooperative strategies - changes based on consensus of the nodes, possibly based on some planning, negotiations, and compromises worked out among some of the nodes; assumes that all nodes really have some power and influence on decisions, and that there is enough cooperative spirit to reach true consensus.
- Disruptive strategies - changes based on one or more nodes attempting to threaten the resource generating capacities of one or more other nodes, in order to bring about a change in the network desired by only a small minority of nodes, perhaps only one very powerful node; is essentially a violation of basic networking principles, and merits sanctioning by the rest of the network nodes; usually done covertly and denied.
- Manipulative strategies - changes based on purposeful alteration of the larger environment of the network, affecting the flow of resources to the network and the priorities of the network and its organizations (e.g., by changing the total volume of network resources or its channels of resources); again a violation of networking principles, usually done covertly and denied; constitutes a broader version of the disruptive strategy.
- Authoritative strategies - changes based on the demands or powerful influence of an organization within or outside the network that has the legitimate authority to wield such influence in terms of the larger society (e.g., a government agency, regulatory body, principal funding source); done overtly and admittedly, but still a violation of **networking** principles, even though legitimate in terms of the larger society.

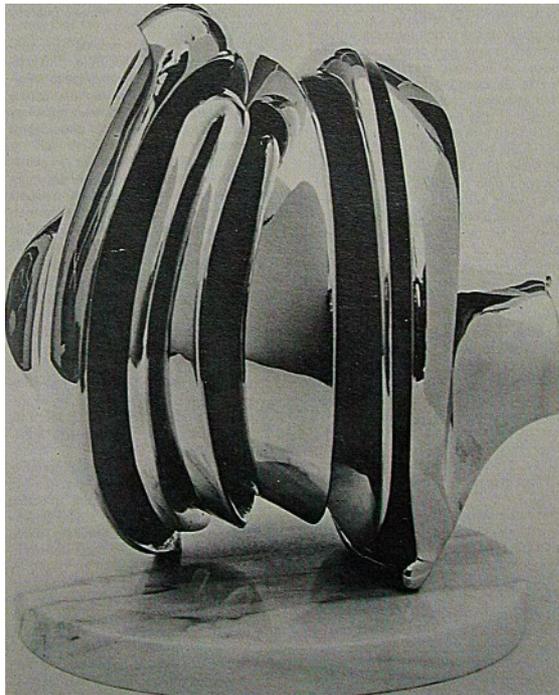
In sum, the proper way to change networks consciously is to use the accepted consensus process and a cooperative strategy. Not every node or set of nodes, however, is likely to adhere to this approach. When any of the other approaches is used, it is the responsibility of the rest of the nodes of the network to resist such approaches and to sanction those responsible by reprimand or ostracism.

**What are the important roles that need to be played in a network ?**

This question gets us into a discussion of the internal structure and dynamics of networks. Since networks are such informal, changing, and variable forms of organization or coordination, it is impossible to do justice to the topic in the space available here. All we can do is to list briefly some of the major kinds of networker or networking roles that have been identified, as follows :

- (1) value or goal generating and maintaining roles;

- (2) research roles (what works and what does not and why);
- (3) interpretative roles (interpreting network activity for outside specialists, for policy formulation, for the network constituency, etc.);
- (4) information and communication roles (providing widely known and accessible communication channels and information systems for switching within the network);
- (5) lookout roles (detecting and defining the nature of emerging network problems);
- (6) emergency roles (rapidly mobilizing resources in response to network crises when no official body in the network has such responsibility);
- (7) recruitment roles (seeking appropriate new nodes and support from outside sources);
- (8) strategy and policy formulation roles (clarifying longterm problems and possible strategies for network action and change);



- (9) broker and negotiator roles (helping create new links, settle conflicts, arrange compromises, linking given network to other networks);
- (10) political action roles (influence external organizations to change policies or procedures that impede network functioning);
- (11) network manager roles (overseeing without controlling the network, assuring the flows of information, the processes of referral, tracking and follow-up, and the provision of resources required for network operation);
- (12) trainer and facilitator roles (orienting new nodes to nature of network; orient old nodes to new patterns of operation; facilitate growth of new or tighter sub-networks); and
- (13) convenor roles (hosting meetings of network node representatives; facilitating electronic « meetings » by computer conferencing or conference telephone calls, etc.).

### How can a network be made more likely to succeed (or fail)?

To speak of the important roles within a network is only part of discussing what makes a network succeed or fail in having its intended impact. There are also important operating principles or guidelines that have been gleaned from experience with or research on networks. For nearly every one of these principles, pursuing it in one way helps a network succeed (and hence is part of networking) while pursuing it in the opposite way harms a network and makes it more likely to fail (and hence is part of anti-networking or sabotage). Because of their looseness, fluidity, and freedom, networks are like democracies in that « Eternal vigilance is the price of freedom ».

If nodes in the network do not take responsibility to make the network a success, and to stop or expel nodes that are anti-networking, then the network can only fail. It can only be what its members make it or permit it to become. Here are a few of the many, many principles that seem to make for network success (or failure, if turned around):

- Insist at every opportunity that the central concern and purpose of the network be kept uppermost in mind in all network activity.
- Remind people and nodes at every opportunity that the network provides the benefits of legitimacy, additional or more effective use of resources, opportunities for organizational growth, as well as friendship and personal sharing opportunities.
- Communicate regularly to all nodes specific instances of perceived benefits and impacts of cooperation through

the network, besides the foregoing general benefits.

- In the beginning, work for some clear, simple, feasible, and readily observable network goal and accomplish it successfully, informing all nodes and the public of this accomplishment quickly.
- Make sure that there is always some clear, short-term, feasible goal or goals that the network is working for as well as longer term and broader impact objectives; maintain a sense of both short-term and longterm goal clarity and momentum, without expecting miracles overnight or over-promising on accomplishments.
- Warn individual organizations against over-commitment to too much high intensity cooperation, given their present resources and state of development; avoid the « burn-out » syndrome of nodes.
  - » At the same time, insist on active commitment to cooperation with the network and some of its nodes to a significant degree.
  - » Keep all nodes in the network up-to-date on the precise nature, scope, activities, resources available, resources needed, and cooperative network activities of every other node through an annual directory and regular quarterly or bi-monthly updates.
- Insist that all nodes provide high quality information (accurate, reliable, unbiased) whenever they pass information to other nodes, particularly when reporting on their own organizations (as for the annual directory or updates).
  - » Continually press all nodes for clarification of their particular roles, functions, and constituencies with respect to people and groups outside the network as well as within it, and make sure all nodes are aware of these facts.
  - » Strive to identify and confront as quickly as possible any conflicts, confusion, duplication, antagonism, cheating, exploitation, sabotage or other network-harming activities of any nodes.
- Where problems arise, have established mechanisms for dealing with them according to their nature and severity (e.g., node consensus regarding expulsion of a node; a negotiating team for dealing with more minor conflicts, duplication, etc.).
  - Insist on a participative, cooperative, consensus-seeking decision-making procedure for all decisions affecting the network as a whole; where in-person meetings or electronically aided meetings omit certain node representatives, the latter should be polled by mail or telephone in advance (if non-participation is foreseen) or after the meeting in order to include their inputs.
  - Resist any tacit or explicit assumptions that larger or wealthier or more powerful and prestigious nodes have a right to greater influence in the network than the smallest, poorest node. Equality!

- Facilitate active participation in the network for weaker, poorer nodes by providing expense reimbursement for involvement, etc.
- Have a minimal secretariat of highly competent, professional, credible, concerned, experienced persons with positive personality characteristics and high interpersonal relations skills to facilitate the operations of the network and the performance of the necessary roles (see previous section) for optimal networking; give the secretariat a small budget and no powers of allocation of funds to nodes of the network without full network consensus.
- Insist on the necessity of binding agreements for the network, based on consensus decisions, but make it clear that network involvement does not imply acceptance or approval of all the values and activities of other nodes in the network.
- Develop and renew « network consciousness » and a sense of organizational and personal solidarity in pursuit of the shared network concern through orientation and training sessions for node representatives (and their principal staff colleagues), through in-person and electronically aided meetings as frequently as is feasible, through special network stationary and a network newsletter.
- Make it clear that unequal contributions and exchanges are to be accepted and expected, as well as unequal levels of cooperation.
- Encourage regular, constructive, mutual and self-criticism by nodes.
- Seek internal self reliance and multiple funding sources for network.
- Encourage cooperative innovative projects too risky for single nodes.
- Seek optimal network size where there is minimal node function redundancy and the opportunity for each node to know all others.
- Discourage turnover of node representatives and network liaison staff, but orient newcomers to the network quickly and well.

### FOOTNOTE :

#### A Selective list of information sources on networking methods.

(Document source listed as EDRS is the ERIC Document Reproduction Service, P.O. Box 190, Arlington, VA 22210 U.S.A. (MP-Microfiche, HC-Hard Copy).

- (1) *Creating Interorganizational Coordination; Project Report: An Orientation; Instructor's Guide.* 3 Vols. Klonglan, Gerald E., et al. Final Reports Submitted to Defense Civil Preparedness Agency : Washington, D.C. May 1975. (9pp., 13pp., & 233pp.) Available from Dept. of Sociology and Anthropology, Iowa State University, Ames, Iowa 50011.

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