Network Management Strategies

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Abstract

This article extends network management scholarship by integrating sectoral differences within a proposed theoretical framework encompassing extant conceptions of network management. Even as the emergent field of network management scholarship advances, current research tends to generalize network management approaches based on assumptions that organizations behave similarly within a network regardless of whether the organizations are governmental, nonprofit, or commercial. Consequently, existing research does not fully account for whether sectoral differences have implications for network management. This article provides evidence that sectoral differences and composition within a network matter because the differences provide strategic opportunities and constraints for public managers involved in coordinating multi-sector networks. This article makes several contributions to network management scholarship. First, this article provides a framework that reviews and situates current conceptions about network coordination within a passive-to-active continuum of managerial approaches. Sectoral differences are situated and integrated within this framework. Second, this article provides an empirically-based investigation of a quasi-natural experiment that examines sectoral differences in multi-sectoral workforce development networks in Boston. The article’s findings suggest that integrating sectoral orientations within a passive-to-active network managerial continuum may help clarify and categorize the strategic options and trade-offs that public managers may consider in coordinating multi-sectoral networks.
Networks represent an increasingly important approach to delivering public services as well as present dilemmas for governmental managers tasked to coordinate public resources in networked settings (Agranoff and McGuire 2001, 2003; Bardach 1998; Goldsmith and Eggers 2004; Kickert, Klijn, and Koppenjan 1997; Milward and Provan 2000, 2003; O’Toole 1997). Public management scholars agree that many public policies and programs are not administered and delivered by a single government agency and but rather are often jointly coordinated and implemented through a range of multi-agency agreements, partnerships, collaboratives, and networks involving both governmental and non-governmental organizations. In recent years public management research about such networks has grown in line with O’Toole’s (1997) admonition that networks should be “treated seriously” because of growing public policy tendencies to tackle “wicked” policy problems with limited and divided governmental authority while favoring non-profit, market, and multi-sectoral solutions. Along with the increased attention to the proliferation of such networks has been recognition of their particular managerial challenges. That is, public managers face the quandary of being expected to work more in networks where they have less authority while at the same time increasingly being held more accountable for performance and improved outcomes.

For public managers operating in a multi-organizational, multi-sectoral environment comprised of a “hollowing” state (Milward and Provan 2000) and the increased “publicness” (Bozeman 1987) of nonprofit and for-profit entities, scholarly guidance on strategic options for network management remains especially underdeveloped. One reason scholarship about network management remains pre-paradigmatic is that the emergent field still yields more theoretical questions than empirical investigations (Agranoff and McGuire 2001). Indeed, to date the field
has lacked a consensus typology of approaches to network management. This is especially true regarding the managerial implications of multi-sectoral networks involving public agencies, nonprofits, and commercial firms. To date, network management research has under-emphasized sectoral differences. Previous research tends to generalize network management approaches based on assumptions that organizations behavior similarly within a network regardless of whether the organizations are governmental, nonprofit, or commercial. Existing research does not fully account for whether sectoral differences have implications for network management. This article provides evidence that sectoral differences and composition within a network matter because the differences provide strategic opportunities and constraints for public managers involved in coordinating multi-sector networks. This article extends network management scholarship by integrating sectoral differences within a proposed theoretical framework encompassing extant conceptions of network management.

This article’s theoretical contribution is anchored in an empirically-based investigation of three sector-based strategic orientations for public managers operating in a multi-sectoral—public, nonprofit, market—environment. First, this article provides a framework that reviews and situates current conceptions about network coordination within a passive-to-active continuum of managerial approaches. Then, the article highlights the specific challenges of multi-sectoral networks involving governmental, nonprofit, and for-profit organizations. Strategic options in this environment are examined through case studies of three different network management approaches in Boston’s workforce development system comprised of public, nonprofit, and commercial organizations.

Specifically, this article analyzes three Boston One-Stop Career Center-based networks as part of a quasi-natural experiment that examines sectoral differences in multi-sectoral network
management. Each Career Center-based network experienced similar funding levels, legislative mandates, institutional parameters, and labor market conditions. However, the centered networks also exhibited some differences in their approaches to developing and coordinating their networks. A network management strategic orientation framework helps clarify and categorize these differences by conceptually bundling managerial attributes and activities (e.g., strategic priorities, operational mechanisms, information use, service delivery mode) thematically organized around a sector-based normative value set. The article concludes by integrating sectoral orientations within a passive-to-active network managerial continuum and discussing this study’s findings in the context of the sector-based strategic options and trade-offs that public managers may consider in coordinating multi-sectoral networks.

**Literature Review: Network Management Approaches & Sectoral Differences**

Network management has emerged as an idea in good currency partially due to its metaphoric elasticity in describing complex policy environments as well as due to the interesting analytical problems it presents in considering its managerial implications (Agranoff and McGuire 2001, 2003; Goldsmith and Eggers 2004; Kickert, Klijn, and Koppenjan 1997; Lynn, Heinrich and Hill 2000; Meier and O’Toole 2001; Milward and Provan 2000, 2003). On the one hand, network perspectives are popular because the conception is general enough to encompass virtually any kind of relationship between anywhere from two to an indeterminate number of organizations involved in the public policy process, often with little distinction of the network compositional mix of public, nonprofit, or for-profit organizations. On the other hand, such a generalized conception of public networks departs from the traditional trajectory of public management that tends to specify the roles and tasks involved in managing individual
hierarchical organizations. Consequently, one line of questioning includes distinguishing the hierarchical tradition in public management from that of network management (Kettl 1996; Milward 1994; O’Toole 1997; Agranoff and McGuire 2001).

According to Agranoff and McGuire (2001, p. 296), hierarchies and networks are so different that “the classical, mostly intraorganizational-inspired management perspective that has guided public administration for more than a century is simply inapplicable for multiorganizational, multigovernmental, and multisectoral forms of governing.” Similarly, O’Toole (1997, p 47), suggests that management in network settings “implies significant adjustment of the conventional wisdom” because standard nostrums of public administration do not apply when supervision, monitoring channels, and organizational cultures are diffuse. Moreover, O’Toole and Meier (1999) argue that, more so than hierarchies, management is more crucial in networks because of its influence on organizational performance in terms of 1) creating organizational structure that contributes to system stability; 2) buffering an organization from environmental influences; and 3) exploiting opportunities present in the environment.

Effectively managing public networks requires the depth of skills commonly ascribed to hierarchical management as well as the breadth of skills associated with coordinating the contingent complexity of inter-personal, inter-organizational, and multi-sectoral relations. Comparing the traditional government manager role with network management, Goldsmith and Eggers (2004, p. 157) observe that professionalism meant applying rules in a systematic, standardized, and highly structured manner. By comparison, managing in a networked government environment demands an entirely different set of competencies and capabilities. In addition to planning, budgeting, staffing, and other traditional government duties, it requires proficiency in a host of other tasks, such as activating, arranging, stabilizing, integrating, and managing a network. To do this, network managers must possess at least some degree of aptitude in negotiation, mediation, risk analysis, trust building, collaboration, and project management…needing to be more like symphony conductors than drill sergeants.
While some networks may lend themselves to be orchestrated by a public manager acting like a symphony conductor, many networks behave more like jazzy jam-band ensembles involving fluid player participation and improvisational riffing. Bardach (1998, p. 230-231) observes that, compared to most public sector organizations, an interagency collaborative often gets its sense of direction in a diffuse, collectivized way. Elected officials and the partners’ top managers are involved, of course, but so are middle-management implementing networks, line workers, consumers, and assorted others. The steering processes are multiple, sometimes overlapping, and often complex...complete consensus is always either impossible or very time-consuming...out of consideration for the costliness of elaborate governance procedures, a related smart practice is to trade in governance, to the extent possible, for quality-oriented management processes (original emphasis).

Because the collaborative nature of networks confounds top-down governance or traditional managerial authority, Bardach recommends more attention to the modes and methods of network managers. Instead of steering the network, Bardach (1998, p. 49) emphasizes the role of managerial “craftsmanship” in constructing interagency collaborative capacity through a process that has purposive, integrative, and creative dimensions. Whether likened to a symphony conductor or craftsman, today’s network manager is not yesterday’s public administrator.

Overall, there is consensus that networks are sufficiently different from hierarchies that it is necessary to develop alternative conceptions for network management. However, as Rethemeyer (2005, p 120) observes in reviewing current public network research, “fundamental disagreements still exist over the practical implications for the profession.” Indeed, there is little consensus around alternative approaches, let alone their implications. Given that traditional public administration practices are less applicable in networks, the emergent field requires a new
typology of approaches to network management. What follows is an attempt to categorize what
is known about network management into a coherent framework. To date, four perspectives
have emerged regarding suggested public managerial approaches to networks. These
perspectives represent a passive-to-active continuum of managerial behavior encompassing
reactive facilitation, contingent coordination, active coordination, and hierarchical-based
network administration.

At one end of the managerial spectrum, the reactive facilitation perspective is represented
in Kickert et al.’s (1997) oft-cited book in which they adopt the archetypal view of networks as
mostly loosely-coupled weak-tied multi-organizational sets and suggest a passive, reactive,
facilitative role for the public network manager. This view tends to envision networks as
primarily characterized by self-organizing, co-equal, interdependent, and voluntary dynamics.
Consequently, effective network governance is conceived less as managerial intervention and
more as relatively passive stewardly facilitation of collective solutions. For Kickert et al. (1997,
p 182), the “network approach can be located in the intermediate area between the extremes of
monocentric monorational hierarchical steering on the one hand, and horizontal situations of
complete autonomy of all actors on the other.” From this perspective, the “first generation”
classical rational steering approach of regulatory instruments (e.g., executive authority and
procedural directives) does not apply in network situations because they are uniform and one-
sided. For these authors, more appropriate tools in network situations are “second generation”
instruments like incentives, communicative instruments or covenants. From this interactive
perspective, network management is about “creating conditions under which goal-oriented
processes can take place” (De Bruijn and Ten Heuvelhof, 1997, p. 120).
Another example of the non-traditional reactive facilitation perspective is reflected in O’Toole’s (1997, p 48) suggested four first steps for public administrators working in a networked world. Step one is not to assume authority as directives may weaken influence. Second, conduct regular self-surveys of network since ties may extend beyond known participants. Third, look for opportunities—practices and procedures—for coordination points. Fourth, simultaneously act within the network to move cooperation toward goals (build trust, share information) while altering the network to build supportive coalitions that may buffer against uncertainty and complexity.

Following the reactive facilitation managerial perspective, the next approach emphasizes an increased yet situational managerial role as a type of contingent coordination. In this view, network management depends on factors such as the added-value of networks in terms of exchange (i.e., capacity, strategy, information); knowledge and technology capacity development; expanded outreach; and policy/program action (Agranoff 2003). Another issue is degree of publicness (Bozeman 1987; Bozeman & Bretschneider 1994) and its implications for networked situations in that higher publicness may be associated with more desire for stability. McGuire (2002) emphasizes the variability and suggests a contingency approach. Although he does not recommend specific management strategies, McGuire (2002, p. 608) hypothesizes about the behavior of network managers and suggests that a “simple contingency logic is used a tool for magnifying a process that seems too complicated to comprehend.” That is, managers may exert some coordinating influence on networks, but the scope of managerial behavior is limited and contingent upon network interests, resources, and opportunities. For McGuire (2002), key opportunities for network coordination include managing the perceptions of participants (i.e.,
bargaining, new ideas, reflection) and the interaction (i.e., structuring and mediating) of members.

The notion that managers have a mix of direct and indirect ways to contingently coordinate networks is also seen in the policy tools approach. According to policy tools theory (Salamon and Lund, 1989) indirect service delivery is where third party agents carry out government’s purposes and constitute the basic structure in implementation networks. In this view, indirect government action is more appropriate in more complex situations with higher levels of interaction among public, private, and nonprofit organizations. Adopting policy tools theory, Blair (2002) finds that in addition to indirect action, he observed instances of government direct action contained in the program delivery structure of an implementation network (i.e., enterprise zones). The contingent coordination approach suggests that networks yield selected opportunities when managers may use opportunistic influence in addition to indirect action to guide network behavior.

Continuing along the passive-to-active managerial spectrum, the third perspective of active coordination suggests that networks may be directly managed through several operational levers (Agranoff and McGuire 2003; Goldsmith and Eggers 2004; Milward and Provan 2003). Agranoff and McGuire (2003) argue that networks may be actively managed through a more involved role of jurisdiction-based management in which managers may instrumentally use vertical institutional relationships as well as create and manipulate horizontal relationships. Even as they suggest the potential for more direct managerial action in networks, Agranoff and McGuire (2001) note that there is still no network analog to the hierarchical managerial prescription known as POSDCORB (planning, organizing, staffing, directing, co-ordination, reporting, budgeting)?³ They observe that “scholars have identified some behaviors used in
managing networks and when it is best to use them, but a similar functional and conceptual parallel to traditional management processes has not yet been developed.” Instead, they offer a suggestive grouping of four network management behaviors as way to interpret network management research. The first behavior of “activation” refers to identifying network participants and tapping their resources. A second behavior of “framing” includes shaping network interactions by establishing and influencing the operating rules, norms, perceptions of the network. Thirdly, “mobilizing” emphasizes human resources management in terms of motivating, inspiring, and inducing commitment among network participants and stakeholders. Finally, “synthesizing” refers to creating and enhancing the conditions for favorable, productive interaction among network participants.

Goldsmith and Eggers (2004) offer a related set of active coordination behavioral tasks and advice for hands-on and hands-in network managers. They emphasize the managerial role in initial network design that includes identifying possible partners, bringing stakeholders to table, analyzing current operations, determining and communicating expectations to members, assembling and enmeshing pieces of network, devising strategies to maintain network, and activating the network. After designing and setting-up the network set-up, Goldsmith and Eggers (2004) advise the network manager to function as a network “integrator” who establishes communication channels; coordinates activities between network participants so that they share knowledge, aligns values and incentives, overcomes cultural differences; and builds trusting relationships.

In a similar vein, Milward and Provan (2003) distill lessons from several research studies to offer advice for effective active coordination of networks, especially for a “network administrative organization” that is managerially responsible for network activities. In this
context, network leadership requires honest brokering, stabilizing coordination, and structural management. In addition, Milward and Provan (2003) suggest that a network manager consider limiting network size because smaller networks may be easier to manage effectively because of lower transaction costs. According to Milward and Provan (2003), network managers should also consider limiting the variety of network participants because of the implication from network studies that homogenous networks tend to be more effective networks than those with diverse participants. On the other hand, they also note that multiplicity of linkages suggests that multiplex relationships are stronger than single tie relationships and more likely to be integrated and effective. Moreover, Milward and Provan (2003) also recommend that the network administrative organization should continue to be involved in some aspect of service provision so that it knows if it is getting good and fair value for what it is promoting or contracting. To do this, a network administrative organization can either make some critical service or occupy a critical place (e.g., case management) in the service value chain. According to Milward and Provan (2003), their research findings suggest that centralized integration within a service implementation network is more effective than other forms of integration. That is, a powerful network administrative organization that is centrally integrated may facilitate more effective network performance. According to Agranoff and McGuire (2003), Goldsmith and Eggers (2004), and Milward and Provan (2003), public managers possess some discretion in employing a variety of techniques to actively coordinate networks. However, they all acknowledge that network managers do not have the same organizational controls traditionally associated with single-agency hierarchical public administration.

The notion that traditional public management approaches may be used to manage networks is represented by the next perspective on network managerial continuum: hierarchical-
based directive administration. This fourth perspective is represented in a provocative paper by McGuire’s (2003) in which he offers the argument that even as hierarchies and networks are different operating structures that exist for different purposes, that “managing in networks involves the same skill set but is much more difficult than in hierarchies” (McGuire 2003, p. 21). Here, McGuire puts forth the notion that network needs are similar to hierarchies regarding having the right people and resources, clear purpose and strategies for achieving the purpose, and productive and purposeful interaction. He suggests there are some unique considerations for network management, but that these constraints do not result in different actions for network managers. He concludes his paper with a quotation from a network manager comparing her role to one as a department head as “it’s the same set of skills, just more of it” (McGuire 2003, p. 22).

O’Toole and Meier (1999) offer a variant of the hierarchical-based directive administration perspective in their argument that it is structural stability-instability rather than hierarchy and networks that is the key issue in the performance impact of network management. They note that their “general theory treats hierarchy and management as substitutes for each other” (O’Toole and Meier, 1999, p. 520). That is, they find that effective network management is highly correlated with more hierarchical-based coordination.

Each of the four approaches on the network management continuum is characterized by different assumptions about network composition, structure, and benefits. For example, reactive facilitation approaches are suggested for networks characterized by consensual, coequal, loosely-coupled interdependent relationships. Facilitation is considered the appropriate role because of the presumptive benefits of collective consensual behavior in networks that may be undermined by direct control. However, some networks include power differentials due to resource dependencies. In such situations, more hierarchical-based directive administration approaches
may be more appropriate where network relationships are characterized more by contractual, regulatory, and funding requirements. All along the network management continuum, public managers face challenges to multi-organizational coordination such as goal incongruence, imprecise oversight, mis-communication, fragmented coordination, data deficits, capacity shortages, and relationship instability. Consequently, network managers encounter a range of strategic and managerial role choices depending on network structure, composition, and policy outcome expectations. In this situation, network management strategies are likely to be more effective if they more fully account for network composition and conditions. Therefore, a fundamental challenge to network management is under-specifying network characteristics. For all four approaches on the network management continuum, one dimension that has been under-emphasized is the sectoral dynamics of networks. That is, extant network literature does not address whether sectoral differences are correlates or predictors of network behavior. This article seeks to help address this research gap. Better understanding sectoral characteristics is important to network managers because of the prevalence of multi-sector networks and because of sectoral differences that present distinctive challenges to network management.

Public network management is especially complicated when managers must coordinate networks involving organizations from the nonprofit and for-profit sectors. Along with the trend towards increased networking in public services has been a broad trend among public and nonprofit organizations of increasingly sharing discretionary authority over the operation and delivery of publicly financed services (Boris and Steuerle 1999; Salamon and Elliott 2002). Nonprofit and for-profit entities now routinely help enact and implement public policies in network-like arrangements through a variety of direct and indirect governmental contracts,
grants, incentives, and subsidies (Kamerman and Kahn 1989; Kettl 2002; Kramer 1998; Musolf and Seidman 1980; Salamon 2002).

At the same time, both the nonprofit and public sector have adopted more competitive and market features as part of the “commercialization” of the sectors (Weisbrod 1998). Whether called “privatization,” “marketization,” “new public management,” or “market-based governance,” many researchers suggest that such changing public policies increasingly rely on notions of competition in government practices as a means to spur efficiency, effectiveness, and innovation (Barzelay 2001; Donahue 1989; Donahue and Nye 2002; Gruening 2001; Kettle 1997).\(^5\) Taken together, these transformations contribute to shaping a networked environment with co-mingled public, nonprofit, and market characteristics.

Consequently, in addition to the challenge of synchronizing multiple organizations, network managers are often implicitly expected to coordinate organizations that may possess different interests, motivations, and responses to incentives and disincentives. That is, network managers must often also face the problem of reconciling different organizational logics and strategic orientations. The notion of sector-based strategic orientations is rooted in organization theory and is based upon a stylized reformulation of Wilkins’ and Ouchi’s (1983) identification of three basic mechanisms of organizational control: markets (i.e., “entrepreneurial orientation”), bureaucracies (i.e., “bureaucratic orientation”), and clans (i.e., “community orientation”).\(^6\) Conceptually, these three strategic orientations are depicted as Weberian “idealized” organizational archetypes in Table 1.

Table 1 about here
Community-based nonprofits may be said to have *community orientations* because they are mostly characterized by the underlying communitarian values associated with the civil society sector: participative, relational, voluntaristic, and self-organizing. Nonprofit and public agencies generally possess important sectoral-based differences in their orientations (Smith and Lipsky 1993, Young 1999). The *community orientation* of many nonprofits contrasts with the *bureaucratic orientation* of government agencies that are mostly characterized by the attributes associated with the public sector: legalistic, procedural, and hierarchically-organized. These orientations may in turn be distinguished from the *entrepreneurial orientation* of commercial firms that are mostly characterized by the behavior associated with the market sector: opportunistic, innovative, profit-seeking, and market-place organized.” This phenomenon of differentiated sector-based orientations further complicates theoretical conceptions of network management especially because private sector firms differ from governmental and nonprofit organizations both in their individual and group behavior.

Differences between public and private sector organizations have been well documented (Dahl and Lindblom 1953; Nutt 1999; Perry and Rainey 1988; Rainey, Backoff and Levine 1976; Ring and Perry 1985). In general, scholars find that public and nonprofit organizations behave differently than do private organizations due to their reliance on government funding, coercive operating rules, differing incentive structures, and regulatory and accountability procedures (Fogarty 1996; Meyer, Scott and Strang 1987; Perry and Rainey 1988). In addition, compared to the private sector, the public sector faces different challenges in strategic management such as policy ambiguity (versus stable goals such as growth, profitability, or market share), government openness (versus private decision making), and competing stakeholder interests (Ring and Perry 1985).
Moreover, strategic networked alliances among commercial enterprises often arise from firm-level cost/benefit analyses and risk/reward calculations. In contrast, “strategic alliances” involving public organizations—and to a lesser extent, nonprofits—often develop as much by internal decision as by external coercion. Like commercial firms, public and nonprofit organizations may form network-based alliances to leverage expertise, reduce risk and costs, or respond to complex service demands. However, in contrast to private firms, public and nonprofit organizations may also obligatorily participate in networks as a result of governmental mandates, funding requirements, or political considerations. In these situations, the expected advantages of network alliances involving public and nonprofit agencies may be undermined due to shifting policy goals, conflicted interests, and constrained resources. Overall, public, nonprofit, and commercial organizations exhibit differences in their governance processes, management coordination, and network interactions. However, to date there has been little attention in the network management literature as to whether or how such differences matter. Lack of empirical data is one reason for this under-emphasis. This article provides an empirically-based conceptual framework that helps extend network management theorizing by incorporating sectoral differences.

Examples of the multi-sectoral network phenomenon are observed in some workforce development networks comprised of government, nonprofits, and private firms involved in job training, labor matching, and employment supports. Workforce development networks and intermediaries have grown in importance due to transforming labor markets and federal welfare and workforce policies (Benner et al. 2001; Harrison and Weiss 1998; Herranz 2004; Osterman 1999). Such networks involve government, nonprofit, and for-profit organizations interacting and functioning at the intersection of public policy, nonprofit service delivery, and labor market
exchange. These networks seek to implement federal and state workforce policy as well as to improve labor matching between job-seekers and private employers. As such, workforce development networks provide opportunities to observe multi-sectoral and inter-sectoral relationships. Although research suggests that these networks are important structural forms for workforce development, there is little research about the strategic and managerial issues involved in coordinating workforce development networks. This article examines three different strategic management approaches to coordinating workforce development networks.

**Research Subjects**

Boston’s workforce development networks make appropriate subjects for studying different network management approaches for several reasons. Several studies have identified Boston’s workforce development system as among the most innovatively structured and managed system in the country (Heldrich Center for Workforce Development, 2002; United States Government Accountability Office, 2003). Boston’s workforce development system is built around three One-Stop Career Centers and their associated networks of public, nonprofit, and private firms. One-Stop Career Centers are the centerpiece of the 1998 Workforce Investment Act (WIA) that was implemented by most states in 2000. WIA was designed to integrate a fragmented employment and training system and create a single, fully networked system—a one-stop coordinated networked system that could serve the needs of all job seekers and employers. WIA sought to streamline the delivery of federally funded employment and training services, enabling job seekers to make informed choices among training providers and course offerings, and enhancing the private-sector role in the workforce system. WIA gave states and localities flexibility in deciding how to design and manage the one-stop system, allowing local one-stops to tailor their systems to local needs. Four separate federal agencies—the
Departments of Labor, Health and Human Services (HHS), Education, and Housing and Urban Development (HUD)—fund about 17 categories of programs that are required to provide services through the one-stop system.

Boston’s One-Stop Career Centers provide appropriate subjects for a network management study because they are focal organizations embedded within a dense network of governmental, nonprofit, and private organizations involved in labor market and employment policy. That is, each One-Stop Career Center functions as a key network hub comprising formalized and less-formalized relationships with government agencies, nonprofits, for-profit service providers. Formalized ties may take the form of fee-for-service contracts with providers, and less-formalized connections may be manifest in memorandums of understanding regarding service agreements or cross-referrals for services and information. The One-Stops also developed a range of formal to less formal relationships with private employers that included recurrent and one-time fee-for-service agreements, as well as consultation and information exchange. The One-Stops are intended to be flexible entities with the explicit purpose of developing and mediating the institutional connections of the local workforce development system.

Boston’s three One-Stops are not government agencies per se but non-profit network-based entities that receive public funds for the purpose of mediating between private employers, jobseekers, and workforce development institutions. Moreover, Boston’s career centers were selected through a process encouraging competitive, distinctive, and innovative approaches while sharing similar goals. One consequence is that each career center is a strategic venture partnership between different types of organizations emphasizing different approaches to developing and coordinating networked institutional relationships. Boston’s three One-Stop Career Centers are The Work Place, Boston Career Link, and JobNet. The Work Place (TWP) was operated through a partnership between city agency in charge of economic development—
Economic Development Investment Corporation (EDIC), and one of Boston’s most entrepreneurial nonprofits—Jewish Vocational Services (JVS). Boston Career Link was operated by three community-based organizations: Dimock Community Health Center; Morgan Memorial Goodwill Industries, Inc.; and Women’s Educational and Industrial Union. JobNet was operated by the Massachusetts Division of Employment and Training and New England’s largest nonprofit social services agency—Action for Boston Community Development (ABCD). Differences in organizational partnerships among Boston’s One- Stops influenced their respective strategic orientation to network management. Consequently, the three different Boston career centers provide a quasi-natural experiment to examine different approaches to network management. The Work Place exhibited an entrepreneurial orientation to developing and managing its network. Boston Career Link demonstrated a community-based orientation to its network governance. JobNet displayed a hierarchical bureaucratic orientation to its network management.

Of course, due to the particularity of Boston’s institutional and labor market context, this study’s findings regarding the specific managerial approaches may not be generalizable to other locales or career centers. Similarly, because this study uses three cases rather than a statistically representative sample, its findings can not be used to generalize to other networks or policy areas. However, because this article’s analysis of different approaches to network coordination draws conceptually on organizational archetypes, the implications of this investigation are relevant to theorizing about network management strategies in a multi-sectoral environment. In this respect, this article helps address the theoretical question of what are strategic approaches to network management in a multi-sectoral environment.

To answer this question, the study examined indicators of each of the Boston Career Center’s governance processes (i.e., operator oversight, advisory board interactions), network
interactions (i.e., information or resource transactions; strength and recurrence of ties), and management coordination (i.e., staffing structure, Continuous Quality Improvement activities). In investigating the relationship between organizational types and managerial processes, this study developed a framework of organizational archetypes built upon the idea of three distinct “strategic network orientations” that reflects the principal organizational types involved in operating career centers: “entrepreneurial,” “bureaucratic,” and “community.” As noted previously, this framework is based upon a reformulation of Wilkins’ and Ouchi’s (1983) identification of three basic mechanisms of organizational control: markets (i.e., “entrepreneurial”), bureaucracies (i.e., “bureaucratic”), and clans (i.e., “community”). In this strategic network orientation framework, entrepreneurial refers to a network management orientation that is market-focused, opportunistic, and places high normative value on quid pro quo benefits; bureaucratic refers to a network management orientation that is hierarchically-focused, rule-driven, and places a high normative value on legal authority; and community refers to a network management that is collective-oriented, relational, and places a high normative value on moral authority.

**Research Approach: Multi-method Analysis**

This study used a multi-method approach combining qualitative and quantitative data that were analyzed to develop three comparative cases studies (Miles and Huberman 1994; Yin 1994). Following Ragin (1987, p. 106), the “cases are treated as an interpretive combination of characteristics, not as arrays of sample variables.” Qualitative data was collected through three mechanisms. One method included semi-structured interviews—identified by “snowball sampling”—that lasted between one and two-and-one-half hours with the directors and staff of
Qualitative data were collected via three waves of 50 semi-structured interviews with representatives of the career centers, public agencies, nonprofit organizations, and private sector employers during 1998, 2000, and 2002. A second method was a textual analysis of annual organizational documentation assembled by the Boston Workforce Investment Board (WIB) as part of each One-Stop’s charter review process that includes strategic plans, program budgets, customer satisfaction surveys, employer focus groups, and annual monitoring reports by the WIB. A third method is participant observation in staff meetings of the One-Stops as well as in their sponsored career workshops, industry briefings, and job fairs. Quantitative data was collected from annual review documentation reports as well as the One-Stop Career System's administrative information system that contains customer databases and placement data. All the information was assembled and analyzed to generate the following three case studies.

Three Cases of Network Management Strategies

Case 1. “Community” Network Strategic Management Orientation: Boston Career Link Process

As the community-oriented career center, Boston Career Link (BCL) was operated jointly by three community-based nonprofits—each with more than 100 year-old roots in Boston’s neighborhoods and social services. Consequently, all three nonprofits had their own distinct and often longstanding network ties to other public, nonprofit, and for-profit organizations as well as overlapping connections to similar networks. BCL’s three nonprofit co-operators and networked allies shared an historical tradition of commitment to disenfranchised communities that served as an organizing consensus regarding social mission and operations. Through most of its existence, BCL’s governance and management tended towards collective processes that were more group-centered rather than leader-centered or strategy-centered. That is, BCL mostly relied upon its
networked relationships with others in the community to share information, resources, and service delivery. On the one hand, BCL’s inter-dependence on its community networks tended to impede its own strategic planning because of the planning and managerial challenges associated with coordinating many disparate organizational interests and actors. On the other hand, BCL’s network ties enabled it to shift and share resources as needs arose. In this regard, BCL’s experience highlighted the network trade-off of multi-party involvement (and flexible information and resource exchange) versus strategic and focused coordination.

A psycho-social casework counseling approach dominated service delivery and, to some extent, it also influenced the reporting and management relations within BCL. This approach prioritized “sensing” rather than analysis in regard to data. For example, BCL’s use of Continuous Quality Improvement methods tended to be voluntarily-organized episodic reactions to service problems rather than systemic diagnosis and pro-active performance enhancement. As a result, BCL tended to emphasize immediate tactical responses rather than long-term strategic planning. Consequently, several staff and observers noted that BCL seemed to operate in chronic crisis mode. Symptomatic of its “crisis” culture, BCL had high staff turnover as personnel often shifted between and among networked partner organizations. Indeed, BCL has the highest turnover among the career centers of both staff and managers. One of BCL’s reactions was to hire an organizational consultant who counseled BCL to function more “rationally.” After repeated crisis interventions and restructuring attempts, the cumulative effects of several years of crisis contributed to BCL’s major strategic “realignment.” Although it did not have internal capacity for strategic planning, BCL was able to draw upon its network ties to bring in consultants. BCL’s ability to do so demonstrated one of the advantages of being deeply embedded within a dense organizational field. Based on the counsel of consultants, BCL
developed a strategic plan that essentially reflected the priorities of its operators. BCL’s strategic realignments mirrored the established patterns of its operators by focusing on disadvantaged groups, locating in a particular low-income neighborhood, and increasing collaboration amongst operators and community partners. With limited capacity to manage incremental organizational adjustments, BCL was compelled to refocus its practices only as the result of an organizational “revolution” that returned BCL to its operators’ roots as service providers to specialized disadvantaged populations. In this upheaval, BCL changed its operator governance, its location, and its relations to job-seekers and employers.

BCL’s focus on relationships and immediacy extended to its practices. BCL exhibited a tendency to provide highly customized services that matched the individualized needs of its job-seeker customers. BCL not only had internal expertise to do so, but also drew upon its overlapping membership in diverse networks of community-based organizations for particularized information and resources to address the interests of distinct populations. However, at the same time, BCL tended to provide services to specialized populations and self-interest groups. As a result, instead of serving a broad cross-section of the public, BCL served relatively smaller numbers of job-seekers meeting general “selective” group-eligibility criteria. The net effect of its particularized approach was that BCL tended to have higher placement rates than the other career centers, while usually also serving smaller numbers of customers—and, until its last year, the most educated and arguably the easiest to place job-seekers. BCL’s perpetuating crisis atmosphere undermined organizational learning as well as opportunities to integrate and leverage possibilities for innovation. BCL’s realignments in 2001 and 2002 were a retrenchment indicating its inability to sustain the career center goal of universal access. Here, BCL illustrates a paradox of a community network-based orientation regarding adaptation.
During the flush times of strong labor market and institutional resources (i.e., plentiful contracts for placing welfare recipients in jobs), BCL’s networks functioned well in that they expanded and provided a mix of strong and weak ties that both delivered specialized services to job-seekers as well as information connections to employers. In this volatile and resource abundant environment, BCL’s community networks may have required little coordination as they exploited the fast information and resource exchanges of dense, multi-layered network structures. However, during a lean time of economic recession and reduced public resources when there were fewer resources to flow through networks, BCL contracted to its relationships based on its strongest ties and most dense network cores. BCL’s community orientation in its management approach enabled it to leverage both the depth and breadth of its dense and overlapping networked relationships—especially with other nonprofits—to connect job-seekers with training and supportive services. However, BCL tended to be relatively facilitative and passive in its network coordination. Because it often adopted a self-organizing and organic approach in its collectivist managerial behavior, the BCL-centered network frequently responded reactively to crisis and opportunities within the network and larger environment. Sometimes network resources aligned more of less successfully to address these situations. Other times this approach stressed individual and organizational relationships and contributed to less effective network effectiveness. Overall, on the passive-to-active continuum of network management approaches, the BCL network management approach was a mix of reactive facilitation and contingent coordination (see Table 2).
Case 2. “Bureaucratic” Network Management Strategic Orientation: JobNet

JobNet was primarily operated by the Division of Employment Training (DET), Massachusetts’ large state government bureaucracy historically in charge of Employment Services. JobNet was originally set-up as a co-venture between DET and a private job placement firm. However, organizational differences between DET and the firm compelled the firm to exit, leaving the JobNet network to be primarily coordinated by DET. Consequently, the JobNet network tended to be primarily comprised of governmental agencies and nonprofits that had relatively strong ties to government—often due to contractual or more formalized relationships. After several years of attempting to find a compatible co-operator, DET eventually contracted to “co-operate” JobNet with New England’s largest nonprofit—Action for Boston Community Development (ABCD). There were mutual advantages to collaborating. As major stakeholders in the employment and training sector, both DET and ABCD had interests in protecting their roles and funding streams in Boston’s evolving employment services system.

On the one hand, these two large behemoth agencies were compatible because they were familiar entities to one another in that each was bureaucratically and hierarchically organized with decades of government funding and contracting experience. On the other hand, the collaboration between DET and ABCD conjoined their respective networks—giving each access to the other’s network resources. DET was embedded in a network comprised mostly of public agencies and ABCD was enmeshed in a large network of mostly nonprofit agencies. For ABCD, the contract to co-operate JobNet was one of many government contracts with state and local agencies that had already made ABCD the largest community-based nonprofit network in the region. The agreement with DET provided ABCD and its networked partners with the potential for more direct access to governmental information and financial resources related to changing
workforce programs. For JobNet, a principal attraction of contracting with ABCD was entrée to ABCD’s extensive network of neighborhood-based satellite branch offices and allied subcontractor nonprofits in Boston—potentially providing access to under- or hard-to-serve communities. However, JobNet never fully integrated its services into ABCD’s neighborhood network. This was partially because their contractual relationship tended to reflect a traditional hierarchical contractor and sub-contractor arrangement specifying such things as payments to ABCD for information and client referrals and co-location of ABCD staff at JobNet. It was also partially due to JobNet’s lack of success in penetrating ABCD’s own bureaucratic coordination of the neighborhood network. Moreover, as procedurally-bound entities, neither JobNet nor ABCD had much experience with the kinds of less formalized, non-contractually specified collaboration enabling them to explore or exploit opportunities in each others’ networks.

Throughout its history, JobNet continued to be deeply embedded within DET, a classic government bureaucracy. For JobNet, bureaucracy was a “tried and true structure” that offered several advantages such as stability (e.g., low staff turnover), standardization (e.g., equitable and fair treatment), and efficiency (e.g., high service/product volume at low cost). As a “government bureaucracy with a heart,” JobNet demonstrated a tendency to offer services to all customers equally (i.e., in standard ways) even as it made special efforts to provide services to the most disadvantaged job-seekers (e.g., least educated and skilled). This duality reflected JobNet’s perspective that it was an agency of the State and therefore was both an equal opportunity service provider as well as the provider of “last resort.” In the latter role, JobNet provided services and referrals for the neediest people. In this regard, JobNet’s closest network partners tended to be other government and contracted nonprofit agencies that served disadvantaged people such as the state welfare agency (servicing welfare recipients), state unemployment agency (servicing
unemployed job-seekers), and contracted nonprofit service providers (servicing people with low educational attainment including those with only or no high school degree).

JobNet’s governance and management processes reflected its state bureaucratic orientation. For example, like most government agencies, JobNet derived most of its strategic guidance from regulatory directives and had little experience with boards of directors or other advisory bodies. Except for a few meetings involving an unwieldy mix of representatives from about 40 stakeholder organizations in its network, JobNet rarely convened advisory groups of either job-seekers, employers, or community-based nonprofit providers. Consequently, the JobNet network tended to be coordinated by formalized contract management procedures and inter-governmental agreements.

Another telling indicator of its bureaucratic orientation was JobNet’s procedural emphasis on service delivery and information processing. Overall, JobNet’s approach to coordinating its network of service providers demonstrated a tendency towards standardization rather than customization and attention to individual needs. For example, JobNet placed considerable emphasis on standardizing reporting requirements both within its Boston network and in the state network of career centers. JobNet was a lead agency in a state-wide effort to rationalize the data collection and reporting systems for all One-Stop Career Centers in Massachusetts. Another example of its penchant for standardization was JobNet’s interpretation of Continuous Quality Improvement techniques. For JobNet, this often resulted in a tendency to continue documenting and codifying its organizational processes. This had the advantage of building and documenting organizational knowledge and the disadvantage of inhibiting adjustments and innovation. At the same time, JobNet’s procedural emphasis contributed to a stability of organizational processes in relation to its customers and its ties to other organizations.
In turn, this stability re-enforced JobNet’s resiliency. In this way, JobNet’s bureaucratic orientation enabled a tendency towards laggard adjustment that, while not highly adaptive, was sufficient to sustain operations in the midst of institutional systemic change associated with implementing federal welfare reform and workforce system change. In general, JobNet’s bureaucratic orientation supported relatively stable coordination of its networked relationships while standardizing services and accountability across its contracted provider network. At the same time, this orientation tended to constrain customization and innovation of services across the network. Overall, on the passive-to-active continuum of network management approaches, the JobNet network management approach was an active example of *hierarchical-based directive administration* (See Table 2).

**Case 3. “Entrepreneurial” Network Management Strategic Orientation: The Work Place**

The Work Place was operated by the Boston city agency in charge of economic development—Economic Development Investment Corporation (EDIC), and one of Boston’s most enterprising nonprofits—Jewish Vocational Services (JVS). The sponsoring operators functioned in a competitive environment that valued entrepreneurial behavior and the development of strategic networked relationships with public, nonprofit, and for-profit organizations. With its focus on economic development, EDIC worked primarily with a network of land and industrial developers and financiers to promote private sector initiatives. In this setting, JVS saw The Work Place (TWP) as a learning opportunity to hear from business employers about their human resource needs and so strengthen JVS’ own career services. JVS also saw The Work Place (TWP) as an experiment to potentially develop a “social enterprise” capable of generating revenue to support its other services.
As the entrepreneurial-oriented career center, The Work Place established a market-friendly approach with the opening of its offices in a high-rise corporate tower in Boston’s financial district in an attempt to be close to the downtown business network. TWP’s location contrasted with the decisions by Boston Career Link and JobNet to locate in more distressed locations. Since its inception, TWP’s priorities remained providing “quality” employer services and pursuing fee-based services. In interviews and in its “business plans” and progress reports, TWP repeatedly used phrases such as “customer choice” and “business-like” operations to distinguish itself from other government programs. One indication of its attempt to deviate from governmental rules-based practice was TWP’s intense adoption of Continuous Quality Improvement (CQI). TWP used CQI as an organizing framework to use extensive data for assessing opportunities, diagnosing problems, generating options, and experimenting with services, product lines, and marketing campaigns. TWP’s strategies tended to reflect its main priorities of providing customized employer services and diversifying its revenue streams. Its sustained use of CQI to monitor internal operations and external conditions contributed to TWP being the most dynamic organization among the three career centers in terms of strategic management and service innovation and delivery.

In contrast to Boston Career Link and JobNet, TWP emphasized the development of customer-driven fee-based services, especially employer services. This was partially because the labor-matching process depended more on job availability than the number of job-seekers and partially because employers had more financial resources to pay for services than job-seekers. TWP’s focus on employers allowed it to provide more innovative services that either of the other career centers. For example, TWP developed a successful and profitable series of job fairs and created a “Corporate Partners” program that provided extra and customized services to
employers willing to pay a monthly fee. TWP also sponsored a series of industry sector based breakfast and lunch gatherings to create and grow its employer network.

However, compared to BCL, TWP had fewer network ties to community organizations, and, compared to JobNet, TWP had fewer connections to state agencies. Indeed, TWP tended to develop its network ties to both nonprofits and government agencies based on perceptions of potentially profitable and instrumental relationships that aligned and advanced its strategic goals to generate revenue and “meet the market” of job-seeker and employer customer demand. As a result, TWP had fewer network ties than BCL and JobNet, but TWP’s relationships tended to be more strategic and targeted network arrangements—often contract-based and outcomes-focused. One consequence of this entrepreneurial approach to network development and coordination was that TWP sometimes needed to be monitored and coerced in providing public services. For example, unlike BCL and JobNet, TWP initially declined to provide job-search and job-matching services to welfare recipients at a satellite welfare office in a low-income neighborhood, arguing that the welfare recipients would be better served at its downtown location. After feeling threatened that it might lose its welfare-to-work contract with the state welfare agency, TWP relented and assigned a job-broker to the satellite welfare office. Nevertheless, when TWP determined that it was strategically, politically, and financially necessary to develop such organizational partnerships, TWP initiated collaborations with social service and governmental agencies. Without external pressures and monitoring, it is unclear that TWP would have invested as it did in developing the organizational relationships and practices associated with delivering services to the most disadvantaged job-seekers.

TWP’s entrepreneurial orientation in its management approach enabled it to focus on meeting the labor market needs of both job-seekers and employers by innovating services as well
as by strategically leveraging network relationships with public, nonprofit, and commercial organizations. Because it often adopted a strategically focused approach in its entrepreneurial managerial behavior, the TWP-centered network frequently responded quickly and creatively to market dynamics and opportunities. However, TWP tended to be relatively opportunistic and contingent in its network coordination, sometimes requiring monitoring and coercion to deliver services to some disadvantaged customers. Overall, on the passive-to-active continuum of network management approaches, the TWP network management approach was characterized by a mix of *contingent coordination* and *active coordination* (See Table 2).

**TABLE 2 ABOUT HERE**

**Summary Findings**

This article presents an analysis of the three Boston One-Stop Career Centers as part of a quasi-natural experiment to examine sectoral differences in multi-sectoral network management. Each career center-based network experienced similar funding levels, legislative mandates, institutional parameters, and labor market conditions. However, the centers also exhibited some differences in their approaches to developing and coordinating their networks. A network management strategic orientation framework helps clarify and categorize these differences by conceptually bundling managerial attributes and activities (e.g., strategic priorities, operational mechanisms, information use, service delivery mode) thematically organized around a sector-based normative value set.

The three strategic orientations were illustrated by Boston’s career center networks. Overall, the Boston Career Link network demonstrated a “community” strategic orientation in its
interactions that was manifest as a mix of reactive facilitation and contingent coordination on the passive-to-active network management continuum. Indications of this were revealed in both its planning and practice which were characterized by consultative approaches, relational interactions, tactical rather than strategic planning, network-embedded information and resource transactions with community-based nonprofit organizations, and services to specialized populations. BCL’s mixed portfolio of organizational ties provided it with an extensive repertoire of tacit and specialized knowledge about different sub-populations. Consequently, BCL’s operational performance was episodically effective but relatively inefficient and uneven. The BCL network experience suggests that a network primarily governed by community-based organizations may demonstrate a community strategic orientation.

The Work Place network demonstrated an “entrepreneurial” strategic orientation in its interactions that was manifest as a mix of contingent coordination and active coordination on the passive-to-active network management continuum. This approach was indicated in its planning and practice that were characterized by multi-party data-enriched strategic analysis and planning, focus on fee-based services to employers, strong ties to employer networks, customer-driven approach, opportunistic quid pro quo relationships, development of niche markets, and intense adoption of business tools (i.e., CQI, Strengths Weaknesses Opportunities Threats). The TWP experience suggests that a network primarily managed by for-profit firms, economic development agencies, or even market-focused entrepreneurial nonprofits may demonstrate an entrepreneurial strategic orientation.

The JobNet network demonstrated a “bureaucratic” strategic orientation in its interactions that was manifest as hierarchical-based directive administration on the passive-to-active network management continuum. This approach was indicated in JobNet’s planning and practice
characterized by a dominant hierarchical management, procedural focus, extensive and standardized data collection, and relatively weak impersonal ties to employers, job-seekers, and community organizations. The JobNet experience suggests that a network primarily coordinated by a state governmental agency, large municipal authority, or even a very large community-based organizations may demonstrate a bureaucratic strategic orientation. Network strategic orientation is a means to examine the advantages and disadvantages of three approaches to network coordination.

**Discussion of Research Implications**

Theoretically, the sector-based network strategic orientation framework may be used as a heuristic device to diagnose the functional and institutional attributes of a multi-sector network. Pragmatically, the framework may serve as a reference to help public managers consider the range of strategic options and role choices available to them when attempting to coordinate multi-sectoral networks. Identifying the dominant orientation—or mix of orientations—within a network also provides a way to begin to ascertain associated network management approaches as they fall within the passive-to-active continuum. Clarifying and categorizing possible management approaches is useful primarily because of the insights they provide regarding disadvantages and disadvantages associated with each approach. That is, the strategic orientation framework gives rise to several propositions. Networks with community strategic orientations are likely to be characterized and to be responsive to reactive facilitation and/or contingent coordination approaches. Networks with entrepreneurial strategic orientations are likely to be characterized and to be responsive to contingent coordination and/or active coordination approaches. Networks with bureaucratic strategic orientations are likely to be characterized and
to be responsive to hierarchical-based directive administration (though they may also respond to active coordination).

Of course, with only three cases, the study’s major limitation is that it does not provide a large enough data set to be representative of all multi-sectoral networks or policy arenas. Consequently, the orientation framework and associated management approaches are neither necessarily generalizable to nor predictive of all multi-sectoral networks (or single or bi-sectoral networks). However, the sector-based orientation framework and management continuum typology do offer network scholars and managers another lens with which to try and understand the complexity and dynamics of mixed-sector networks. In this way, this article helps extend current theoretical understanding about network management by suggesting that sectoral characteristics and differences may matter in important ways to network coordination and performance.

Moreover, another implication of this article is the suggestion that network theorists move beyond Powell’s (1990) high-contrast distinction of network forms of coordination as independent from markets and bureaucratic forms. Instead, some multi-sectoral networks may reflect more of Stark’s (2001) posited hybrid “heterarchic” network form that is characterized by distributed authority, interdependent relations, blurred private and public boundaries, flattened hierarchical internal coordination, and competing and coexisting value systems. Managing heterarchic multi-sectoral networks requires interorganizational negotiation and coordination as well as what Jessop (2000) refers to as “de-centred intersystemic context steering” which includes guiding the development of different systems by considering their distinct operating codes and rationalities and their various substantive and social interdependencies. The strategic orientation framework provides a diagnostic lens for such complexity.
The sector-based strategic orientation framework also provides a conceptual tool for considering the possible implications of particular managerial approaches for network performance. For example, emphasizing attributes of a distinct sectoral orientation in a network’s management processes may yield possible advantages and disadvantages. A network mostly managed with a bureaucratic strategic orientation may offer more stability, equitable treatment, and relative efficiency, but it may tend to be inflexible and slow to adapt. A network with an entrepreneurial strategic emphasis may offer higher adaptability, innovation, customer-choice, and market focus, but it may be less effective in providing services to specialized disadvantaged populations, and may need to be monitored due to its opportunistic tendencies. A community orientated network may offer a rich array of linked specialized resources and services for particular groups, and flexibility, but it may tend to be tactically reactive and operationally under-organized. Network managers who understand the trade-offs associated with different network management strategies are likely to be more effective in the design, development, and coordination of high-performance networks.

Each of Boston’s workforce networks exhibited dominant tendencies associated with a single strategic orientation. Of course, they also shared, to some degree, elements of all three orientations. In this regard, all three networks illustrated the increasing prevalence of blurred boundaries between governmental, market, and nonprofit society sectors in developing and implementing public policies. From this perspective, Boston’s workforce networks provide a prismatic view of the complexity of network dynamics prevalent in many aspects of contemporary mixed-sector network management.

Researchers have noted that public policy implementation sometimes occurs under uncertain circumstances and in interaction with dynamic politics and interests (Pressman and
Wildavsky 1984). Moreover, Salamon and Lund (1989, pp. 12-13) note that the proliferation of new tools of public action and the emergence of third-party governance complicates traditional theories of public administration because public management increasingly “involves the manipulation of a complex network of players and institutions over which the public manager has only imperfect control, yet on which he or she must depend to operate an agency’s programs.” To address this dilemma, some theorists have proposed network approaches as a way to make sense of policymaking and the implementation process that occurs within complex institutional settings. When successful, networks may provide policy responses that are responsive, effective, stable, and lasting. On the other hand, networks may at times be unmanageable, unaccountable, and inefficient. Networks are especially problematic in a public policy context due to challenges associated with coordinating multiple stakeholder interests in problem definition, decision-making, policy direction, resource distribution, service delivery, and evaluation.

A generalized network approach that under-emphasizes sectoral differences may mask important differences in networks that are otherwise highlighted when framed by sector-based strategic orientations. The strategic orientation framework provides an analytical approach that helps identify the characteristics and trade-offs of distinct dynamic network management strategies in mixed sector environments. A network that is dominated by one particular strategic orientation is likely to exhibit many of the advantages associated with that perspective. However, as this study has illustrated, there is some risk that the advantages may be lop-sided and that the weaknesses may be exaggerated. An alternative is combining all three strategic orientations in a way that balances and equilibrates the strengths and weaknesses of the different orientations. A key element in Boston’s workforce networks is the flexible role of nonprofits in being able to exhibit distinct strategic orientations as well as being less restricted than government agencies.
Mark Moore (2002, p. 314) notes that nongovernmental organizations have a “freedom to innovate and adapt to heterogeneous clients at least in part because their operations are not wholly accountable to politics and government but only in that part of their operations that is covered by the government contract.” However, nonprofit status alone is not sufficient to encourage experimentation and innovation, as this study found in the differences between Boston Career Link and The Work Place in innovating services.

The development of Boston’s workforce networks illustrate that strategic orientations influence organizational responses to institutional and environmental change. On the one hand, this study finds some agreement with the argument of Powell and DiMaggio (1991, p. 198) that organizational change tends to be episodic and is mostly due to exogenous factors. On the other hand, while exogenous conditions may spur change, Boston’s workforce networks suggest that endogenous organizational factors—such as sector-based strategic orientation—also influence the scope of network change. Similarly, while change among public agencies is often largely attributed to external, coercive governmental rules, networks involving public agencies do necessarily react to government requirements simply as coercive directives. Indeed, networks may offer flexibility in creating local modifications, unplanned changes, and innovation.

Given the escalation in blurred public/nonprofit networked initiatives, it is helpful for public managers to better understand their options regarding internal organizational processes and their relationship to public policy development and management. The network management strategic orientation framework and its relationship to the passive-to-active network management continuum offer a way to theorize such systemic complexity. To the extent that federal, state, and local governments consider different configurations of public, nonprofit, and commercial involvement in networked arrangements, the strategic orientation framework may provide some
guidance on potential policy and performance parameters. Of course, this article does not suggest replication of Boston’s three network setup. The co-existence of three networks with distinct strategic orientations is likely not be pragmatic in many settings due to reasons such as insufficient resources, political discordance, and inappropriate institutional and labor market conditions. This study also does not suggest that any one of the three strategic orientations be used as a single best prototype to be replicated in other locales. In choosing to emphasize a particular strategic orientation in a public network, managers and policymakers may anticipate that the advantages of a strategic orientation are likely to be accompanied by its associated disadvantages.

It is more likely that most public/nonprofit managers and policymakers will experience the dilemma of already overseeing a stereotypically bureaucratically-oriented public network. This is partly because, as evidenced by this study, bureaucratically-oriented networks may offer familiar hierarchy-based management advantages such as maximizing resources; providing stability while enabling political compromise; attempting to operationalize equity/fairness; and addressing accountability expectations through data reporting and documentation. To offset the disadvantages of bureaucratic, hierarchical management, an alternative is to somehow managerially integrate aspects of all three orientations. Though not a specific focus of this investigation, this mixed-orientation transorganizational scenario may draw insights from this study. For instance, to bolster a network’s entrepreneurial characteristics, managers and policymakers may emphasize or require: 1) incentives related to performance goals (e.g., percentage of revenue from fee-based services to employers); 2) governance influence by business representatives (e.g., employer advisory committee); and 3) integrated use of CQI processes. To enhance a network’s community characteristics, managers and policymakers may
emphasize or require: 1) contractual or financial relationships with groups or networks of community based nonprofits; 2) governance influence by community representatives (e.g., community advisory committee); and 3) staff with connections to neighborhood nonprofits. Interjecting and experimenting with the tactical activities associated with different strategic orientations may be one approach to maintain a dynamic, adaptive, and quality-focused public/nonprofit organization. By mixing and adjusting such key factors in the transorganizational processes of network, managers and policymakers may be able to cultivate a check-and-balance or integrated approach to managing a high performance network.

A key finding of this research is that multi-sectoral networks potentially provide local policymakers and managers with operational levers to influence the multi-sectoral dynamics and performance of networks. In order to do this, however, it is necessary to cultivate a strategic network management perspective that encompasses the public, nonprofit, and market sectors. From this perspective, public managers may better recognize the strategic roles and choices available to them in network management.
### Table 1: Strategic Orientation Value-Sets

<table>
<thead>
<tr>
<th>Values Dimension</th>
<th>Bureaucratic</th>
<th>Entrepreneurial</th>
<th>Community</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ideology</strong></td>
<td>legislated order (e.g., state-focus), fairness</td>
<td>market-focus, individualism, innovation, efficiency</td>
<td>civil society focus, humanitarian, compassion</td>
</tr>
<tr>
<td><strong>Goals, preferences</strong></td>
<td>stability, accountability, equitable treatment</td>
<td>value-maximization</td>
<td>social balance, equitable outcomes</td>
</tr>
<tr>
<td><strong>Power and control</strong></td>
<td>very centralized with more reliance on rules</td>
<td>quasi-centralized with reliance on teams</td>
<td>less centralized with interest groups</td>
</tr>
<tr>
<td><strong>Implicit structure</strong></td>
<td>hierarchical, departmental</td>
<td>quasi-autonomous units (often hierarchically structured)</td>
<td>loosely-coupled units</td>
</tr>
<tr>
<td><strong>Decision process</strong></td>
<td>procedural, rationality, top-down</td>
<td>technical, opportunistic, middle-out</td>
<td>situational, participatory, bottom-up</td>
</tr>
<tr>
<td><strong>Decisions</strong></td>
<td>follow from programs and routines</td>
<td>follow from value-maximizing choice</td>
<td>result from socially negotiated solutions/problems</td>
</tr>
<tr>
<td><strong>Information requirements</strong></td>
<td>reduced by use of rules and procedures</td>
<td>extensive and systematic</td>
<td>ad hoc</td>
</tr>
</tbody>
</table>

Partialy derived from Pfeffer (1981)

### Table 2: Strategic Orientations and Passive-to-Active Network Management Approaches

<table>
<thead>
<tr>
<th>Strategic Orientation</th>
<th>Network Management Continuum (passive to active)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Reactive Facilitation</td>
</tr>
<tr>
<td>Community</td>
<td>Boston Career Link Network</td>
</tr>
<tr>
<td>Entrepreneurial</td>
<td>The Work Place Network</td>
</tr>
<tr>
<td>Bureaucratic</td>
<td>JobNet Network</td>
</tr>
</tbody>
</table>
References


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**ENDNOTES**

1 Bardach (1998, p. 323) notes that he adopted craft-related metaphors to bring a “more systematic analytic lens” on certain kinds of managerial phenomena—programmatic innovation, organizational reinvention, and capacity-building—that are as “analytically elusive as they are they are significant for creating public value and advancing the public interest.”


3 POSDCORB refers to the various functional elements of the work of a chief executive and is often used because "administration" and "management" tend to lack specific content in some usage. POSDCORB is made up of the initials of and stands for the following activities: Planning, Organizing, Staffing, Directing, Coordinating, Reporting, and Budgeting (Gulick and Urwick, 1937, p. 13).

4 However, Milward and Provan (2003) caution that their recommendations are derived from a relatively small number of extant network studies. Nevertheless, Milward and Provan (2003) along with Agranoff and McGuire (2003) and Goldsmith and Eggers (2004) represent a recent wave of scholarship suggesting...
that public managers possess a wider and stronger repertoire of possibilities for active coordination of
networks than previously posited by the earlier wave of network management scholarship by Kickert et.
al., (1997) and O’Toole (1997). Indeed, one may say that an indication of the growing sophistication of
this emergent field is a paper by McGuire (2003) that circles-back thinking about network management to
first principles in public administration by suggesting that they both share fundamental foci and behavior.
5 At the same time, new public management and similar notions of market-oriented governance have been
criticized for their theoretical assumptions (Lynn, 1998).
6 The notion of “strategic orientation” is consistent with research suggesting that there are patterns of
organizational behavior, expression and common understanding (Louis 1985) that may also be interpreted
as ideology (Van Maanen and Barley 1985) or strategy (Weick 1985). These patterns may be interpreted
as cognitive schemas that are derived from surface level indicators (e.g. language and behavioral norms,
espoused values) and structural level indicators (e.g., decision-making process, internal coordination,
formalization) (Martin 1992). Moreover, the different types of strategic orientation may be considered as
metaphors (Morgan 1998) for the dominant form of control in some organizations. Identifying the main
form of coordination is necessary in order to comprehend organizational performance in these
organizations (Wilkins and Ouch, 1983).
7 Formally, nonprofit designation is a legal tax status and encompasses a broad range or heterogeneous
organizational types (Boris and Steuerle 1999). In the context of this article’s study, community-based
nonprofits helps to specify the kinds of nonprofits often associated with helping directly and locally
implement and deliver public policies and programs in networked settings.
8 Workforce Investment Boards (WIB) are mandated by the 1998 Workforce Investment Act (WIA) to
provide policy oversight to regional implementation of WIA by One-Stop Career Centers. Boston’s WIB
developed an annual review and biennial charter review process that included extensive information
collection and analysis of documentation such as budgets, strategic plans, WIB monitoring reports,
procedural flow charts, inter-agency memos, demographics, and job placement data.