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**The impact of governing networks –
the role of context, organizing and
trust**

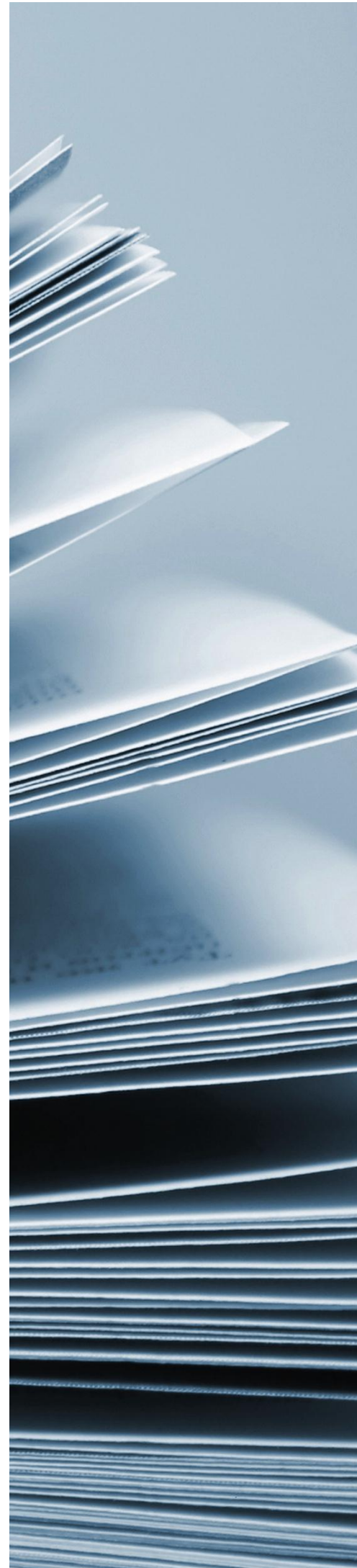
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**THE IMPACT OF GOVERNING NETWORKS – THE ROLE OF CONTEXT, ORGANIZING
AND TRUST**

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ABSTRACT

While our knowledge on the form and functioning of governing networks steadily increases, there are still holes in our knowledge of the impact of these networks. Using a multidimensional approach to measuring impacts, this article reports the perceived effects of the so-called regional councils in Norway. Impact is measured along four dimensions: impact on service provision, capacity to solve border-crossing problems, capacity to influence external actors and ability to develop collaborative relations in the network. As shown by earlier studies, trust between participants in the network play a crucial role in creating impact. In addition, consensus in the networks seems to be an equally important predictor of impact. Also, contextual elements like network size, economic asymmetry and interdependence, as well as organizational elements like administrative capacity and network age, have several direct effects on the perceived impacts, although not always in the predicted direction. Consequences for the role of managing networks are discussed, as well as the limits of the networks themselves.

KEYWORDS

Networks, impact, trust, consensus, network context, network organization, municipalities, Norway

Introduction

Network governance has been one of the “hot” concepts in public administration during the last decade (Klijn 2008; Pollitt and Hupe 2010). It has spurred large amounts of research, both on the form and content of governance networks, how they function, and their role in a representative democracy (Bogason and Zølner 2007, Kjær 2004, Klijn and Koppenjan 2004, Marcussen and Torfing 2007, Sørensen and Torfing 2007, 2009). And, as most fashionable concepts, it has created rather intense debates on conceptual and theoretical validity (Dowding 1995, Koppenjan and Klijn 2004, O’Toole 1997a, Pierre 2000), whether these are new forms of governance or not (Kooiman 2003), whether they represent autonomous forms of governance or act in “the shadow of hierarchy” (Du Gay 2002, Scharpf 1997), and whether they are replacing traditional forms of governance or just supplementing it (Klijn 2008, Rhodes 1997).

Still, as noted by several academics (Babiak 2009, Klijn et al 2010, Provan and Milward 2001) there is notably less research trying to link characteristics of networks to their outcomes. In other words, we seem to know quite a lot about what networks are, what they do and how they work, while more systematic knowledge on why some networks experience success and others not, is scarcer. Klijn (2008:520) argues that there is insufficient research on for instance “(...) the impact of network management strategies, the conditions under which they are necessary and effective, which strategies are most effective.” In general, it seems to be a relative lack of research comparing different networks operating in the same field and/or conducting comparable tasks to ascertain variance in efficiency (Jennings and Ewalt 1998; Lundin 2007). Intensive case studies, a tradition seemingly dominating much of the European research on networks,

are good at producing insights into the complexity and functioning of networks, but are less apt at informing us on how different ways of organizing networks may yield different results.

Thus, there is a need for research comparing networks occupied with similar tasks, but differing on how they are organized and managed, and what context they operate in. Such studies may yield results that can inform us on whether there are some organizational characteristics that seem to work better than others, given the task to be accomplished (Lundin 2007, Meyer and O'Toole 2010). This article focuses on a rather novel governance network in Norway, the so-called "regional councils". Through a standardized questionnaire to both members and non- members of these networks, a mapping of subjective perceptions of outcomes was conducted. In addition, these results were then linked to several explanatory variables concerning both the objective context of the network, the structure of it, and variations in trust within the networks.

Governance networks

Initially, governance and networks were conceptualized as separate phenomena, where network was regarded as one specific type of governance (Kooiman 2003; Rhodes 1997). Evaluations of recent research on the complex concept of governance seem to indicate that networks and governance are to a large extent strongly overlapping concepts, so that one should speak of "governing networks" (Klijn 2008: 510). Although many definitions of networks exist, there seems to be a common understanding that a network consists of at least the following traits (Klijn et al 2010; O'Leary and Bingham 2007, Provan and Milward 2001):

- Multiple actors

- Interdependence between actors, although this may be highly ambiguous
- Autonomous actors, alas a lack of hierarchical coordination
- Actors with both common and private goals
- Actors with potentially different structures, histories, cultures and powers.

Such a general definition opens for great variance within the concept of network. One crucial distinction is concerning the basic tasks and functions of the network. Klijn (2008) distinguishes between three main types of networks (see also Isett et al 2010).

Service deliverance and implementation networks are constellations organized to provide complex public services (Goldsmith and Eggers 2004; Kettl 2002), or to implement large and complex programs (Pressman and Wildawsky 1984; O'Toole 1997a, 2003). Such networks can be said to have a client or market focus, where the unifying element is to reach a specific group with some services or programs, and have to bring together different providers to be able to reach this group in a satisfactory way. Policy networks have as their focus a decision process and how actors are participating and influencing this process. The unifying element in these types of networks is the decision in question, while participation usually is more fluid and shifting over time. These network studies harks back to classic studies of community power (Dahl 1961), garbage can decision processes (March and Olsen 1976), policy communities (Marsh and Rhodes 1992), epistemic communities (Haas 1989), or just plain policy networks (Weible et al 2012). Governing networks are constructions aimed at coordinating separate decision makers from different institutions to be able to solve problems that are border-crossing (Kooiman 2003), "wicked" in the sense that several actors must be involved for policies to be effective, that participants disagree over both definitions of problems and solutions, and that solutions often create negative side-effects (Ferlie et al 2011; Rittel and Webber 1973).

The demarcations between these types of networks are probably rather fuzzy. For instance, a governing network may be activated to agree on a specific program, in this process other actors will try and influence the outcome (the decision being made in the governing network), and the outcomes of both these networking processes may deeply influence the actors supposed to implement the program or to translate decisions into provision of public services. Governing networks may also be transformed into policy actors involved in another policy network, attempting to influence decisions being made elsewhere. Still, the distinction is a necessary precondition if the objective of an empirical study is to decipher the effects of different ways of organizing. To compare, something must be held constant, or one would end up with comparing “apples and oranges”.

Network efficiency – measuring outcomes

Several academics have pointed to the fact that there seems to be a general lack of studies on the outcomes – or external impact - of network governance (Babiak 2009; Jennings and Ewalt 1998; Klijn 2008, Klijn et al 2010; Mandell and Keast 2007; Provan and Milward 2001). While there is some research on the effect of service provision and implementation networks (Heen 2009, Lundin 2007, May and Winter 2007) and policy networks (Weible et al 2012), the research on the effects of governing networks is scarce. This situation is not surprising, knowing that most governing networks are complex and dynamic, their processes are difficult to analyze, the link between action and results is usually causally ambiguous, and results may only be visible after a long period of time. In short; outcomes are uncertain and difficult to measure (Koppenjan and Klijn 2004, see also Thompson 1967, Perrow 1986; Peters 1998, van Bueren et al

2003). This may partly be an explanation for the dominance of intensive case studies in studies of the impact of networks. To conduct more extensive, quantitative studies, there is a need for pre-constructing categories that can – at least to some degree – be counted.

This difficulty becomes even more prominent when the objects of study are governance or policy networks rather than production networks (Klijn 2008). Production networks are connected to production of public goods and services, and thus to something that in principle can be measured either by output (quantity and/or quality of services) or outcome (effect on a specified clientele or group of users). The impact of policy networks may be measured by looking at the network's impact on a specific decision (Weible et al 2012). Governing networks, on the other hand, are even more complex.

Both production and policy networks will have rather narrow scopes, either focused on a specific service and group or clientele, or at a specific institution or decision. Thus, these types of networks will be more or less unfunctional, i.e. focusing on one specific task, and – in the case of policy networks – a dissolution of the network when the objective has been reached (or not). Governance networks, on the other hand, are usually multifunctional, indicating that they handle many different topics and issues, and that they have multiple objectives. In addition, the tasks are not time limited, but continuous. Governance networks may be occupied with production of goods and services, but probably at more abstract level, for instance through initiation of new networks, and overseeing their functioning. They may also take on the form of policy networks, as a rather stable network of resources that can be mobilized when needed, for instance when external actors make decisions with important implications for the members of the network. Thus, measuring the effects of governance networks will require a multidimensional approach (Mcguire and Agranoff 2011).

Elaborating on Klijn's (2008) distinction between different types of networks, we may identify four types of effects, three associated with outcome or content and one somewhat more with process (Klijn et al 2010:1066). The first is associated with the production of goods and services (Goldsmith and Eggers 2004). While a production network may focus on one or a few services, governance networks will necessarily have to focus on a broad array of services. Thus, the focus will not be on a specific clientele or a specific service, but rather on the network's ability to improve several services that fall under their jurisdiction. The second type regards the network's capacity to influence external actors, to act as a policy network, for instance through the activation of lobbying groups or by mobilizing administrative capacity to produce own investigations, expertise or arguments (van Bueren et al 2003). Being able to respond in an adequate manner to external initiatives, may be one of the great benefices of networks, and may increase the impact far beyond the possibilities of the network's individual members. Third there is the network's ability to solve complex problems, first and foremost problems that are transcending the limits and powers of the individual members (Agranoff 2007, Agranoff and McGuire 2003). Such problems may be associated with environmental issues (for instance pollution), infrastructure (for instance roads crossing several jurisdictions) and regional planning. The last possible effect is on the network itself, focusing on the ability to build good and productive relations between the participants, implicating efficient communication channels between members, building an organizational identity and fostering an understanding of common problems and the need for collective solutions (Mandell and Keats 2008).

Explaining success – the role of context, organization and trust

In much of the literature on networks, it seems to be an assumption that networks are inherently good, no matter what context it operates in, what tasks it is performing, how it is managed or how it is organized. Lundin (2007) clearly illustrates empirically that this is not the case, and argues that the efficiency of networks will depend on the complexity of the task to be solved. Building on classic organizational theories on the link between task complexity and organizational structure (see for instance Mintzberg 1979 for an overview), Lundin's study illustrate that networks are efficient in implementing complex tasks, not more simple ones. This study will keep the task constant by comparing similar networks that, although there are variances in the task portfolio, seem to share a common role in the Norwegian politico-administrative system (XXXX 2012), and will thus focus on context, organization (including aspects of management), and trust. The thinking in this study follows the lines sketched out by Ansell and Gash (2008) in what they call a contingent model of explaining network success (or "successful collaboration" as they coin it (561)).

First, characteristics of the network's context do probably have an impact on its ability to provide results. Provan and Milward (1995) highlighted the importance of resource munificence, in the sense that networks operating in environments of ample resources were deemed more successful than those operating under conditions of scarce resources. However, one must also be open to the fact that different participants in the network may face different degrees of resource munificence. In the object under study where municipalities are participant, some municipalities may be in a situation with much scarcer resources than others caused by divergences in tax-income, state grants or other sources for income generation. It may seem probable that cooperation may be more difficult in situations with great asymmetries in resources available.

Also, one should clearly acknowledge that the initial power of participants will influence the cooperation in a network (McGuire and Agranoff 2011:268). Klijn and Skelcher (2007) argue that powerful actors may use networks instrumentally to increase the probability of getting their own preferences through. Thus, power asymmetries may also impede the possibilities of less powerful participants to be heard. On the other hand, power symmetry may result in “decision paralysis”, with strong emphasis on negotiating and discussion, and thus with huge resources being used at the process of reaching a decision. “Overprocessing” may thus become a barrier to obtaining results. In a network of municipalities, the pure number of inhabitants that each municipality represent, should be expected to reflect at least some of the power differences in the network.

One final element of the context will be the degree of interdependences between the participants. The concept of interdependence, and its consequences for the need for coordination, is a long-standing issue in organizational design (Galbraith 1977, Mintzberg 1979; Thompson 1967), and is also an important element in explaining cooperation in networks involving municipalities (Mazzalay 2011). The greater the interdependence, the stronger the need for coordination of activities, and thus stronger the incentives to cooperate will be. Interdependencies may arise from several sources. They may be mandated by a third party (for instance the state), or they may be grounded in dependencies connected to a common task or a common challenge facing all participants.

Second, organizational characteristic may seriously affect the cooperation in the network and thus its outcomes. It seems obvious that the size of the network may have noticeable effects. Generally, it may be assumed that the higher the number of actors is, the harder it will be to reach a common decision. More actors will imply higher

complexity in the decisional process, a situation that – all other things held constant – will demand more time consuming communication and bargaining to reach a common result (O'Toole 1988). Thus, size may lower efficiency. Size may also imply ideological heterogeneity, increasing the conflict within the network, and thus impeding efficiency (Dahl and Tufte 1973; Grissom 2010). On the other hand, size may represent – as noted in the previous paragraph – power, usually because larger groups usually control larger resources (see Pfeffer and Salancik 1978), but also because larger groups may diverse external linkages and will thus be more visible.

Age – or time since establishment – may also have an effect on outcomes. As Mandell and Keast (2008: 722-726) point out, a development over time may occur in networks, moving them from formation, through stability, routinization and, eventually, extension. This can be viewed as a maturing process, where the network increases its operative efficiency as relations are established, psychological contracts are formed, and the first conflicts has been confronted. In addition, age may in itself be an indicator of network success (see Meyer and Zucker 1989 for a comparable argument). “Survival” over time will probably be highly dependent on participants perceiving the networks as efficient and/or legitimate.

Administrative capacity of the network will also most probably determine the outcomes of the network. Generally, administrative capacity is closely linked to the resources the network can mobilize in addition to the resources the individual participant. More specifically, it is connected to the budget of the network, and thus to any secretariat or administrative personnel assisting the network. The existence of this type of personnel in the network will probably increase its impact as it will have better possibilities to detect important events in the environments, to process information and

to prepare for decisions. It is probable that the greater the administrative resources, the higher the network's absorptive capacity (Cohen and Levinthal 1990).

Several studies handle the role of management in networks. Meier and O'Toole (O'Toole and Meier 1999, Meier and O'Toole 2003, 2006) show the importance of both different in management styles and types of networking for the effects of different networks. Klijn et al (2010) find that managerial strategies – both the number of strategies and different types - substantially influence both outcomes and processes in network collaborations. More case-oriented studies also indicate the importance of management and leadership in different types of networks (Agranoff 2007, Goldsmith and Eggers 2004, Marcussen and Torfing 2007). As most networks are characterized by not having clearly defined managers or leaders, focus in this study will be set on the organizing of collective decisions in the networks (network boards). In general terms, one should assume that the larger the board – i.e. the more representatives from the participants – the higher the legitimacy of the network. As more fractions in the participating organizations are integrated, more diverse interests are reflected in the board. This may also create an opposite effect on decisional efficiency, as more actors will involve more communication and bargaining, as noted previously. Another dimension is whether the representation of the participants in the board is symmetrical or not. Symmetrical representation means that each participant has the same number of representatives in the board, no matter what resources each participants represents (for instance municipalities with widely different number of inhabitants). The arguments for the importance of this variable are closely connected to arguments previously aired under participant power.

As organizations, it seems possible that networks as well may elaborate unifying cultures, in spite of lacking the stability of traditional organizations, hierarchical or not.

Through interactions between participants, certain shared norms and expectations may evolve in the network. Although an understudied phenomenon in network governance, lines may be stretched back to Bensons (1975) classic on inter-organizational cooperation. There he noted that (op.cit.:1975:235):

(...)a great deal of attention has been paid to attitudes and opinions shared or not shared by participants in two or more organizations. Consensus on domains and similarities of agency philosophies have been investigated. Further, there is a tendency to hypothesize causal dependencies among these phenomena, for example, arguing that consensus on operating philosophies produces cooperative relations.

His argument is linked to an idea that, to obtain efficient cooperation between autonomous actors and thus results and impact, the actors need to have common subjective perceptions of which domain they are in (main task), what objective they work towards, how they shall realize the objectives and the type and amount of resources they are expected to use. As these all are elements associated with “attitudes and opinions”, they may clearly be interpreted as a cultural property – alas: non-written – of the network (see Schein 2010). In the same vein, Ansell and Gash (2008) focus on the effect of “shared understanding” in what they term collaborative governance (see also Emerson et al 2012). In this study we will use the empirical concept of “consensus”, indicating to what degree members of the network share similar opinions on domains, objectives, means and use of resources.

Closely linked to culture is trust (Ouchi 1980). Several researchers have in recent studies pointed to the importance of reciprocal trust between the actors in the network (Edelenbos and Klijn 2007; Keast et al 2005; Klijn et al 2010b, Lundin 2006; Parker

2007; Thomson et al 2009). Although an elusive concept, trust will in this study be defined as a psychological state where one actor believes that another actor one is dependent on, will not do something against one's will (see Kramer 2006). There are several types of trust, and one common distinction is between trust in the intentions of others (that they will not trick or betray you given the chance), and the trust in competencies (that they are able to do what you expect them to do) (Rousseau et al 1998). This study is limited to trust in intentions. High levels of trust within a network seem to be crucial to efficient cooperation between actors in the network, and may thus also be believed to be connected to the results obtained by the network.

The empirical study

The focus of this article is the so-called regional councils ("regionråd") in Norway. Initially, Norway, a small country with a little less than 5 million inhabitants spread over a large territory, is divided into three political-administrative levels: state, 19 counties and 430 municipalities. The municipalities are small, averaging 10000 inhabitants, but with a median below 5000. In the last decades, the responsibility for an increasing part of the public service provision has been delegated to the municipal level, creating problems for many smaller municipalities to meet legal requirements and to produce efficiently. In addition, better infrastructure has linked municipalities closer together, mostly by the fact that people are commuting more between municipalities than before.

The regional councils may be seen as an response to these challenges by constructing a network arrangement of municipalities that cover these regions. In total, it is estimated to be approximately 70 of these councils in 2011. They consist of municipalities (and sometimes counties), and varies from 3 to 30 participants. If one

excludes the largest councils (4) that almost take on the form of being a “macro-region”, the median number of participants is 6. The councils do not have any legal basis, restricting the possibilities the participants have to delegate decisional powers to the council. Still, in most cases the councils take up, debate and give advices on a wide variety of topics ranging from physical and social planning, infrastructure, health and welfare organization, education, etc. In addition, the regional councils are the result of a bottom up process, indicating that there is no central decision or incentive structure mandating this cooperative structure. In this sense, they are voluntary networks consisting of participants that are formally autonomous. They are also relatively novel as the first regional council – specifically using that label – was established in 1981. During the 1980s, four more councils were established. Between 1990 and 1999, 23 additional councils were constructed, while the rest of them date from the first decade of this millennium. Today, all but a couple of municipalities in Norway (of a total of 430) are members of a regional council.

Initially, we selected 11 of these councils. The selection was made according to variation in a) geography (from north to south), b) size (number of members) and c) symmetry of size between members (both regional councils with a clear city center and with no clear center). The last dimension was chosen according to the assumption that symmetry between participants will have an important impact on the collaboration, and thus on results.

As the outcomes and impacts of networks are difficult to measure, we chose – as others have done – perceived outcomes as the empirical measures (Klijn et al 2010; May and Winter 2007). As these regional councils represent their respective municipalities, we furthermore chose to focus on the politicians in the municipal councils. The reason for this is twofold. First, the members in the regional council are almost exclusively

politicians. Usually, the mayor and the vice-mayor in the participating municipalities are represented, but often also other representatives participate. Only asking the members would probably skew the answers in a positive direction as members are asked to evaluate themselves. We therefore opted to include politicians that are not participating directly in the regional councils, but still have to – as political representatives in their municipality – to relate directly to what happens in the regional councils. Of course, other informants could have been included, for instance administrative leaders or experts in the field, and might have produced somewhat different results.

The 11 regional councils represent 77 municipalities, and 2196 local councilors. A standardized questionnaire was sent to all of them, resulting in 1007 usable answers (46 %). There was some variation in response rate between regional councils (between 33 and 62 %), where the three largest (including the three largest cities Bergen, Trondheim and Drammen) had the lowest.

To measure the four outcome dimensions, several items were stated, and the respondents could choose on a five point Likert-scale from totally agree to totally disagree.

All questions used in this article are listed in appendix 1. Before conducting the analyses, missing values were replaced by series means to avoid loss of units. 18 items were constructed to measure the four outcome variables. An exploratory factor analysis (principal component) of all items simultaneously was conducted. 3 items (recruitment, business development, administrative costs) scored high on multiple factors in several different analyses, and were taken out. Initially, the analysis of the remaining 15 items resulted in two factors with eigenvalues higher than 1,0, but with a scree-plot indicating a flattening out of the curve after three factors (the eigenvalues of factor 2 to 4 was 1,65; 0,79; 0,76). Determining the optimal number of factors was made by balancing three

different criteria: eigenvalue, clarity of factors (i.e. minimizing the item’s loading on more than one factor, both varimax and oblimin rotations were conducted) and theoretical expectations. The two last criteria weighed in favor of a four-factor solution displayed in table 1. Oblimin rotation gave the clearest solution, and was chosen as the most appropriate as the four factors very well may be correlated.

Table 1: Factor analysis of 15 items measuring network outcomes. Principal component analysis. Variance explained = 74 %. Direct oblimin rotation (pattern matrix). Scores lower than .30 excluded. Question: “To what degree do you think that (name) regional council has contributed to:”

	FACTOR			
	Service provision	Network development	Complex problem solving	External power
Better kindergartens	.94			
Better social services	.85			
Better health services	.82			
Better school services	.79			
Better cultural services	.61			
Better child care	.52			
Better exchange of information		-.91		
Better understanding common problems		-.83		
Developing trust between municipalities		-.82		
Developing a regional identity		-.61		
Better plans for physical areas/infrastructure			-.72	
More holistic social planning		-.31	-.59	
Better at solving environmental problems				-.90
Better at responding to state authorities				-.86
More powerful vis-à-vis the state level				-.72

The analysis resulted in one deviation from what was theoretically expected: environment was thought as an example of complex and border crossing problems, but in this analysis it scored together with external power. The probable reason for this is that much of environmental measures implemented by municipalities are dependent on state grants and support (for instance grants to public transport).

Trust was measured through four items constructed the same way as the previous. An example is: “How much do you trust that the other municipalities that

participate in (name) regional council: Work for the common good and not only for their own municipality.” Response alternatives ranged from 5 (trust fully) to 1 (do not trust at all). A principal component analysis was conducted in the four items, resulting in one factor with eigenvalue higher than 1,0 and explaining 63 % of the variance. Consensus was measured with four items phrased like the following item: “To what degree do you experience that the municipalities in (name) regional council agree on the following: The objectives with the cooperation.” Response alternatives ranged from 5 (totally agree) to 1 (totally disagree). The factor analysis resulted in one factor with eigenvalue higher than 1,0, explaining 67 % of the variance.

Four outcome variables, one trust variable and one culture variable were constructed by adding the original number of items and dividing by the number of items to make the interpretation of the scales easier.

Information on contextual characteristics was gathered from the Norwegian Statistical Bureau (NSB). Resource munificence was measured through the mean of “free” (or own) income per capita in the municipalities in the region. This measure is used by the NSB to ascertain resource munificence in a municipality. Here we apply it on the regional level purely by aggregating it. Asymmetries between participants were measured by a) the percentage of inhabitants in the region living in the largest municipality, and b) the standard deviation of “free” income per capita in the participating municipalities. Interdependence between municipalities was measured through the amount of people commuting between the participating municipalities as percentage of the total work force in the region. Commuting is a good measure on how intertwined the municipalities in the regions are. Data on organizational traits were gathered from diverse sources, mainly yearly reports, but also through websites and through direct contact with secretariats in the regional councils. Administrative capacity

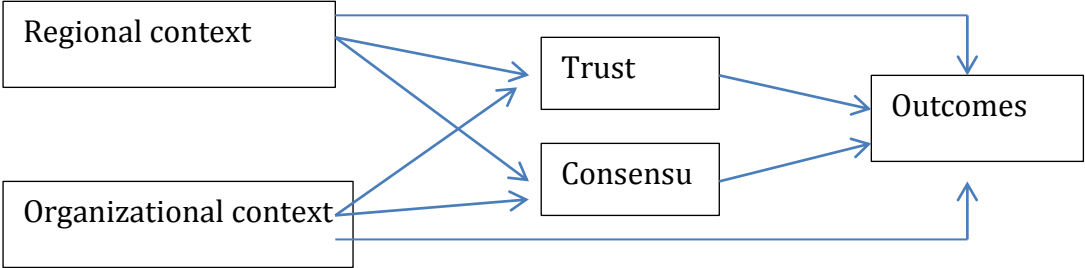
was measured by estimating full time positions equivalents in the secretariat, while symmetry in representation in the council was measured as a dummy variable (0 = symmetric, 1 = asymmetric).

Two variables were cut from the analysis based on high bivariate correlations with other variables. The number of members in the board was almost perfectly correlated with the number of participants in the network (pearson's $r=0,93$), and the asymmetry of members in the board (whether all participants have one representative or whether some participants, i.e. the largest municipalities, were overrepresented) was almost perfectly correlated (pearson's $r=0,95$) with the percentage of inhabitants living in the largest municipality. Including these variables simultaneously into the regressions yielded Variance Inflation Factors higher than 10.0. These results were interpreted as if contextual elements put severe limitations on the organizing of the management of the network. Although it is, in theory, clearly possible to decide on different ways to organize management (i.e. representation in the board), it seems to be almost impossible in practice, at least in this case. Thus, the contextual elements were deemed more important than the organizational ones.

Data is grouped into three different levels, contextual (region), organizational (regional council) and individual. Trust and consensus, as well as outcomes, are measured on the individual level (questionnaire), so it is not organizational outcomes, trust or consensus that is measured, but rather the individuals perceptions of these elements. Being interested in how characteristics of both context and organization might influence the perceptions of outcome, we chose not to use multilevel analysis (MLA), but rather a stepwise linear regression. It is assumed that outcome is a function of trust, consensus, organization and context. In addition, we assume that trust and consensus is a function of context and organization, for instance by assuming that trust will depend

on resource munificence and resource asymmetry. The empirical model to be assessed can thus be sketched as follows:

Figure 1: Empirical model



A structural equation modeling (for instance LISREL) was deemed as less appropriate than linear regression because of the existence of many one-item (“objective”) variables in the model. Bivariate correlations (pearson’s r) between all variables were computed, revealing no correlations higher than 0,63 between variables.

Analysis

In general, the effects of the work done in the regional councils are perceived as weak to moderate. As table 2 shows, the impact is perceived as especially low regarding effects on service provision in the region. The mean score is just above 2, with a skewness of .53, indicating a majority on the negative side (little or no positive effects).

Table 2: Univariate statistics for the four outcome indicators. N=1007

	Service provision	Network development	Complex problem solving	External power
Mean	2,2	3,2	2,9	2,8
Median	2,2	3,2	3,0	2,8
Standard deviation	0,74	0,77	0,87	0,86
Skewness	0,53	-0,32	-0,09	0,02

The effect is somewhat more discernible on the other three outcome indicators, but still the effects must be deemed as moderate.

Next step was to conduct six linear regressions (OLS), first with trust and consensus as dependent variables, next with the four outcome variables as dependent (and thus consensus and trust as independent variables).

Table 3: Linear regression analyses (OLS). Standardized coefficients (beta). N=1007. Highest VIF-value = 4.9

	Trust	Con-sensus	Service provi-sion	Network develop-ment	Complex problem solving	External power
Regional variables:						
Number of municipalities	-.13*	-.01	-.04	.01	-.18**	.00
Mean free income in region	-.04	-.06	-.03	.06	-.19**	.06
Economic asymmetry	-.02	.13*	.11	.17**	.29**	.21**
Population asymmetry	.05	-.02	-.07	-.09	.06	-.07
Interdependence (commuting)	-.04	.11	-.04	.18**	.18**	.15*
Organizational variables:						
Administrative capacity	-.07	.10*	-.01	-.27**	-.15**	-.22**
Year of establishment	-.07	.01	.03	-.22**	-.16**	-.12**
Individual variables:						
Trust			.24**	.36**	.29**	.28**
Culture (consensus)			.20**	.26**	.22**	.21**
R2adj	0.01	0.02	0.15	0.36	0.27	0.23
F-value	1.8	3.1**	21,2**	63.3**	41.3**	34.6**

The contextual and organizational variables do not explain any of the variance in trust and consensus, but have several significant effects on the four outcome variables. As expected, trust and consensus have strong effects on the outcomes. We suspected that there could be a systematic difference in perceptions between those sitting as

representatives in the council, and those not represented. A variable measuring this – 0 = non-member, 1 = member – was included in all equations. The effects were few and negligible. Only in one equation, evaluation of network development, members were significantly more positive than non-members. The difference was, however, small, just increasing explained variance by less than 1 %. For the other outcomes, being a member of council or not, had no effects. This being based on cross-sectional data makes it legitimate to question the causal directions assumed in the equation. It may be argued that both trust and culture (consensus) may be functions of perceived results. A simple test was conducted by making these two variables as dependent. Only network development had a strong and significant effect on both variables, while complex problems had a rather weak, but significant effect. The two other outcome variables had no effect. The causal direction assumed initially seems thus to be better suited to the data set than the reverse model, although no statistical test can guarantee this.

Discussion

In an increasingly networked public sector, it becomes more and more pressing to understand what the outcomes of such networks are, and what factors that may hinder or foster their success. Although the generalizability of this study is limited by the fact that the findings may be culturally embedded (Norway) and that only the perceptions of one group of stakeholders have been studied (politicians) - it adds to our knowledge on the function of governing networks. First and foremost, this study strongly support other studies in emphasizing the importance of trust and consensus in networks to obtain positive effects (Ansell and Gash 2008; Edelenbos and Klijn 2007; Emerson et al 2012; Keast et al 2005; Klijn et al 2010b, Lundin 2006; Parker 2007; Thomson et al

2009). In this study, these two elements are by far the strongest predictors of success on all four outcome measures.

Even more interesting is the finding that neither trust nor consensus is predicted much by contextual factors like resource munificence, economic asymmetries or interdependence. The effect of network size does have a rather small, but negative and significant effect on trust, and the same can be said for economic asymmetry having a small, positive effect on consensus. This finding probably has great importance for the management of networks, simply by indicating that exogenous factors are more or less independent of trust and consensus. Although not all – by far! – possible predictors of trust and consensus are included in this study, this finding opens up for the possibility that trust and consensus is something that is more constructed internally in the network than determined by external factors. If this is correct, it also highlights the importance of management of the network (Agranoff 2007, Edelenbos and Klijn 2006; Klijn et al 2010; Goldsmith and Eggers 2004; O'Toole and Meier 1999, Marcussen and Torfing 2007; Meier and O'Toole 2003, 2006). In addition, this study indicates that trust and consensus is not something “naturally” evolving over time as the effect of the age of the network is negligible. Probably, an effort must be made to create such psychological states of mind, and this may be one of the most important tasks for managers of networks. This argument can be developed further by drawing on the fact that the structuring of the network, especially how the management is organized through the members in the board, seems to be strictly limited by external factors. Power asymmetries in the context are clearly reflected in the internal management structures, as was shown by the almost perfect correlations between the size asymmetry of the participating municipalities and their representation in the board. Cultural elements, as measured in this study by the psychological phenomena of consensus and trust, are much less determined by external

factors. In this perspective, one could argue that the role of management in a network is first and foremost that of consensus maker and trust facilitator, and less of a structural architect.

Somewhat more surprising are the multiple, direct effects of contextual variables on the networks' outcomes. On a general level, this study reveals another important point, namely that the effects of contextual elements vary across outcomes. Put differently, one contextual factor may be crucial in explain a network's success regarding external influence, but may be without importance when it comes to solving complex and border crossing problems. This is just the case regarding network size (number of participants). With increasing number of participants, it seems as though the network's capacity to solve complex problems decrease. A plausible explanation for this is that large groups usually will be more heterogeneous and thus ridden with conflicts, a situation that may impede the capacity to reach consensus in many situations (Grissom 2010). On other outcomes – service provision, external power and network development – the number of participants does not seem to have any effects. It is a bit surprising that network size doesn't have a positive effect on external power, but this may reflect that external power may be an effect of internal consensus rather than just the "meat weight" of the network (Pfeffer 1981:122-124). In the same vein, one should note that resource munificence seem to have a negative effect on the network's ability to solve complex problems. One possible reason for this may be related to the role of slack in organizations. On one hand, slack is a positive factor increasing an organization's ability to change and to handle external shocks (O'Toole and Meier 2010). On the other hand, slack may function as a "sleeping pillow", creating a perception of no need for reaching a decision. In other words, slack may decrease the feeling of urgency often portrayed as a crucial part in obtaining results (Kotter 2008). A similar argument,

although with reverse direction, could be forwarded to explain the multiple and positive effects of economic asymmetry. Initially, it was expected that economic asymmetry might make cooperation more difficult. The empirical results show the opposite. Economic disparities between municipalities seem to make it more important to reach consensus, something that again may spill over on the outcomes of the network activities. Maybe these disparities create a feeling of urgency, making members of the network to put more resources into developing the network, reaching common decisions and increasing external power through internal unity?

As expected, interdependence has a positive effect on outcomes. A more puzzling result from this study is the negative effects of administrative capacity on the network's capacity to solve complex problems, display external power and develop the network. One explanation, although speculative, can be linked to the idea that larger administrative capacities make it possible to delegate powers from the network board to the more bureaucratic administration. This may take some work load of the network, but another aspect of this process may be that central actors also lose some of the "hands-on" proximity to the actual activities. This distance may lower the feeling of obtaining results yourself, it becomes to greater degree more of a result of a secretariat. In short, the more bureaucratic part of the network may take over some of the responsibilities of the network itself, decreasing the members' perception of results. These speculations, indicating that there may be a trade-off between the power of a network board (in this study a political one) and its administration, calls for further studies into relationship between politics and administration also in network organizations, not just in classic bureaucratic ones.

Finally, there is a marked difference regarding outcome on service provision and the other three outcomes. The initial analysis showed that the perceptions of the

network's effect on this dimension was significantly lower than for the others, symbolizing less success on this dimension, and probably explaining why other variables have so little impact on this dimension. In short, there is little variance to explain. This is surely an indication of what can be termed the limitations of networks (McGuire & Agranoff 2011). In Norway, large responsibilities for the provision of public services have been delegated to the local level, to the extent that many label Norway not as a welfare society, but rather a composition of welfare municipalities. This delegation is followed by clear regulations from the state level, including several sets of rules and laws regulating different areas such as schooling, kindergartens, social services, etc. These laws are clearly delegated to the local authorities, and cannot be delegated to other institutions. By law, it is the municipal council who shall decide on these services. The main reason for this is linked to point that many of these services can be defined as personal goods, and that the distribution of such goods must be linked to individual rights to complain, which again requires clear lines of accountability. As several studies show, accountability is a weak point associated with networks (Aars & Fimreite 2005; Goldsmith & Eggers 2004, Koliba et al 2011). When it comes to individual services, accountability becomes critical. That the impact of the governing networks on service provision is perceived as low, may just reflect the limits imposed on them by national law. The other dimensions are to a lesser degree regulated by law, thus providing greater leeway for the network in carving out its own niche.

This study is an, although limited, attempt to empirically scrutinize what elements that may hinder or foster success in governing networks. By using a multidimensional approach to measuring outcomes, the study clearly shows that different factors may have separate effects on different outcomes. This clearly indicates that "one size does not fit all" (Heen 2009). To further elaborate on this, we need more

studies comparing networks and linking traits of these networks with different outcomes.

Appendix: Questions. All question measured on a five points scale (1-5)

Outcome – provision of services:

To what degree do you think that (name) regional council has contributed to:

- A better provision of kindergartens in the region
- A better provision of schooling in the region
- A better provision of health services in the region
- A better provision of child care services in the region
- A better provision of cultural activities in the region
- A better provision of social services in the region

Outcome – solving complex problems:

To what degree do you think that (name) regional council has contributed to:

- Elaborating better plans for physical areas and infrastructure in the region
- Elaborating more holistic social plans in the region

Outcome – external power:

To what degree do you think that (name) regional council has contributed to:

- Making the region better at solving environmental problems
- Making the region more powerful vis-à-vis the state level
- Making the region better at responding to state initiatives

Outcome – developing network:

To what degree do you think that (name) regional council has contributed to:

- Better exchange of information between the municipalities
- Creating a common understanding of the challenges of the region
- Developing a regional identity
- Developing trust between municipalities in the region

Consensus:

To what degree do you think that the municipalities participating in (name) regional council agree on the following:

- The objectives of the cooperation
- How extensive the cooperation shall be
- How much power that should be delegated from the municipalities to the regional council
- How much resources each municipality should invest in the cooperation

Trust:

To what degree do you trust that the municipalities participating in the (name) regional:

- Work for the common good, and not only for their own interests
- Loyally follow up decisions being made in the regional council.
- Will not withdraw from the cooperation in case of conflict
- Will contribute the resources needed to create a fruitful cooperation

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