The Multisectoral Trilemma of Network Management

Joaquín Herranz, Jr.
University of Washington

ABSTRACT

This article presents an analysis of different network coordination strategies. The article extends network management scholarship by integrating sector-based differences within a 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 sector-based differences have implications for network management. This article provides evidence that sector-based differences within a network matter because the differences provide strategic opportunities and constraints for managers involved in coordinating mixed-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 sector-based differences in mixed-sector workforce development networks in Boston. The article’s findings suggest that integrating sector-based orientations within a passive-to-active network managerial continuum helps clarify and categorize the strategic options and trade-offs that managers may consider in coordinating multisectoral 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 Koppenjam 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 but rather are often jointly coordinated and implemented through a range of multiagency agreements, partnerships,

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collaboratives, and networks involving both governmental and nongovernmental 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, although favoring nonprofit, market, and multisectoral 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 multiorganizational, multisectoral environment comprising a “hollowing” state (Milward and Provan 2000) and the increased “publicness” (Bozeman 1987; Bozeman and Bretschneider 1994) of nonprofit and for-profit entities, scholarly guidance on strategic options for network management remains especially underdeveloped. One reason scholarship about network management remains preparadigmatic 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 multisectoral networks involving public agencies, nonprofits, and commercial firms. To date, network management research has underemphasized sectoral differences. Previous 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. Existing research does not fully account for whether sectoral differences have implications for network management. This article provides evidence that sector-based differences within a network matter because the differences provide strategic opportunities and constraints for public managers involved in coordinating multisector 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 multisectoral—public, nonprofit, and 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 multisectoral 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 comprising 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 multisectoral 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 managerial differences in their coordination of (1) interorganizational relationships (e.g., procedural, financial, and social), (2) basic service delivery, and (3) flexible service customization. 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, and 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 multisectoral networks.

LITERATURE REVIEW

Perspectives along the Network Management Passive-to-Active Continuum

Network management has emerged as an idea in good currency partially due to its metaphorical elasticity in describing complex policy environments as well as due to the interesting analytical problems it presents in considering its managerial implications (6 et al. 2006; Agranoff and McGuire 1999, 2001, 2003; Goldsmith and Eggers 2004; Kickert, Klijn, and Koppenjam 1997; Lynn, Heinrich, and Hill 2000; Meier and O’Toole 2001; Milward and Provan 2000, 2003). On the one hand, the network perspective is popular because it offers a conceptual umbrella wide enough to encompass virtually any kind of relationship between anywhere from two to an indeterminate number of organizations. On the other hand, such a generalized conception of networks departs from the traditional trajectory of public administration specifying 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 (Agranoff and McGuire 2001; Kettl 1996; Milward and Provan 1997, 1998; O’Toole 1997).

According to Agranoff and McGuire (2001, 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, 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.

Because the collaborative nature of networks confounds top–down governance or traditional hierarchical managerial authority, Bardach (1998) recommends more attention to the modes and methods of network managers. Instead of steering the network, Bardach (1998, 49) emphasizes the role of managerial “craftsmanship” in constructing interagency collaborative capacity through a process that has purposive, integrative, and creative dimensions.1 Simply stated, today’s network manager is not yesterday’s public administrator.

Overall, there is consensus that networks are sufficiently different from hierarchies in that it is necessary to develop alternative conceptions for network management. However, as Rethemeyer (2005, 120) observes in reviewing current public network research, “fundamental disagreements still exist over the practical implications for the profession.” Indeed, there

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1 Bardach (1998, 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 significant for creating public value and advancing the public interest.”
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 cohesive typology of approaches to network management. What is also needed is more attention to whether differences in network coordination tasks matter to service delivery. As Kenis and Provan (2006, 232) put it, “it should be clear at this point that public management and organization theory scholars know very little about the control of networks and, consequently, about how various forms of control relate to network performance.”

Most network management literature overemphasizes interorganizational coordination styles and underemphasizes the relationship of network coordination to basic service delivery or to the value-added extra (e.g., flexible and customized) services that are often theoretically enabled through networks. What follows is a proposed typology categorizing what is known about network management into a coherent framework that also considers network coordination tasks involving basic and extra service delivery. 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 directive administration.

At the passive end of the managerial spectrum, the reactive facilitation perspective is represented in the oft-cited book by Kickert, Klijn, and Koppenjam (1997) in which they adopt the archetypal view of networks as mostly loosely coupled weak-tied multiorganizational 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 Stewartly facilitation of collective solutions. For Kickert, Klijn, and Koppenjam (1997, 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 communicative instruments, covenants, or incentives. From this interactive perspective, network management is about “creating conditions under which goal-oriented processes can take place” (De Bruijn and ten Heuvelhof 1997, 120).

The reactive facilitation perspective suggests that network coordination primarily relies on managers emphasizing social interactions rather procedural mechanisms or

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3 The perspective that networks are “emergent” is also seen in the broader literature on networks in organizational sociology (Jones, Hesterly, and Borgatti 1997).

4 A prescriptive example of passive network–reactive facilitation is seen in O’Toole’s (1997, 48) suggested four first steps for public administrators working in a networked world. Step one is not assuming authority since directives may weaken influence. Second, conduct regular network self-surveys 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 and share information) while altering the network to build supportive coalitions that may buffer against uncertainty and complexity.
financial incentives. Neither does this perspective tend to overemphasize passive network coordination without fully considering governmental requirements for meeting basic—at least minimum quantity or quality standard—service delivery through networks, nor does it fully address the distortion potential of self-organized network-enabled customized services to privilege specialized groups. This passive coordination approach generally underemphasizes a network manager’s dilemma of making and meeting performance targets while often being caught in a web of accountability relationships (e.g., professional, legal, institutional, and political).

Following the reactive facilitation perspective, the next approach reflects a mixing of passive and actively limited managerial roles as a type of contingent coordination. In this view, more active coordination is appropriate in situations when it is beneficial to take advantage of particular added-value network benefits such as exchange (i.e., capacity, strategy, and information), knowledge and technology capacity development, expanded outreach, and policy/program action (Agranoff 2003). Similarly, McGuire (2002) emphasizes the variability of network functions and suggests a contingency approach. Although he does not recommend specific management strategies, McGuire (2002, 608) hypothesizes about the behavior of network managers and suggests that a “simple contingency logic is used as 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, and reflection) and the interaction (i.e., structuring and mediating) of members.

The contingent coordination approach suggests that networks yield selected situations when managers may use opportunistic directive influence to guide network behavior. This view suggests a more instrumental and targeted role for socially leveraged coordination rather than passive reactive facilitation. However, like the reactive facilitation view, the contingency perspective does not fully account for how a manager may establish, monitor, and enforce basic levels of service provided through a network, especially when service delivery may be contingent on a network member’s interest and resources. That said, the contingency approach may be well suited to identifying, supporting, and sustaining special “contingent” services that enjoy high levels of reciprocated interest within the network. Or, it may be appropriate for networks in which participation is neither mandatory nor voluntary but rather explicitly dependent on exchange—monetary or nonmonetary.

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, coordination, reporting, budgeting). They observe

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5 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 (Gulick and Urwick 1937, 13).
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 a 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, and perceptions of the network. Third, “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.6 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 services contracted through a network. In this context, network leadership requires honest brokering, stabilizing coordination, and structural management.7 Moreover, Milward and Provan (2003) 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.8

6 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, and overcomes cultural differences; and builds trusting relationships.
7 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. Also, 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.
8 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, Klijn, and Koppenjam (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.
From the active coordination perspective, managers possess discretion in employing a variety of techniques to actively coordinate networks. This approach suggests that managers may combine social, procedural, and incentive mechanisms in order to have influence on the delivery of standardized and flexible services. More so than the more passive types of network coordination (i.e., reactive facilitation and contingent coordination), active coordination involves more hands-on involvement in service delivery, thus providing more opportunity for familiarity and influence over basic service delivery. However, like its more passive cousins, active coordination does not have the same organizational controls traditionally associated with single-agency hierarchical public administration.

The paradoxical notion that traditional public management approaches may be used to manage networks is represented by the far end of the passive-to-active network managerial continuum: hierarchical-based directive administration. This fourth perspective is represented in a provocative theoretical article by McGuire (2003) in which he posits 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” (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 that there are some unique considerations for network management, but that these constraints do not result in different actions for network managers. He concludes his article with a quotation from a network manager comparing her role to one as a department head by stating “it’s the same set of skills, just more of it” (McGuire 2003, 22).

The directive administration perspective suggests that networks may be primarily coordinated with authoritative procedural mechanisms rather than relying on social or incentive mechanisms. Of course, there may be service trade-offs when mapping hierarchical-type directive authority onto horizontal or distributed networked relationships. On the one hand, directive administration suggests a higher probability of managerial control over standardized equitable service delivery throughout the network. On the other hand—as with bureaucratic approaches—procedures and processes that encourage service conformity may discourage service variability and flexibility throughout a network.

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, and 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, miscommunication, 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 underspecifying network characteristics.

Sector-Based Differences in Networks

For all four approaches on the network management continuum, one dimension that has been underemphasized is the sectoral dynamics of networks. That is, extant network literature does not address whether sector-based 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 multisector 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 toward 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; Kettl 1997).11 Taken together, these transformations contribute to shaping a networked environment with comingled 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

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11 At the same time, new public management and similar notions of market-oriented governance have been criticized for their theoretical assumptions (Lynn 1998).
possess different interests, motivations, and responses to incentives and disincentives. That is, network managers must often also face the challenge of reconciling different organizational logics and strategic orientations that derive from sectoral differences. That organizations exhibit fundamental and behavioral sector-based differences (i.e., governmental, market, and voluntary/nonprofit) is argued by theorists from economics, sociology, political science, and organizational science (Frumkin 2002; Hansmann 1986, 1996; Rose-Ackerman 1986; Weisbrod 1986, 1988, 1998). Hansmann (1986, 1996) originated the distinction that nonprofits differ from for-profit businesses in that nonprofits face the “nondistribution constraint” of not distributing profits to owners or shareholders. Frumkin (2002) notes that whereas the nondistribution constraint makes nonprofits less like business and more like government, the “noncoercive” feature of nonprofits makes them more like business but less like government. At the same time, Frumkin (2002, 5) observes that what makes nonprofits different from both business and government is that nonprofits have “unclear lines of ownership and accountability.” Whether arising due to market failure or government failure, nonprofit/voluntary organizations represent a third sector of the economy (Weisbrod 1986, 1988, 1998).

However, even as nonprofits represent a third sector generally, there is heterogeneity among nonprofits in terms of specifically behaving more or less like government, business, or voluntary organizations (Boris and Steuerle 1999; Frumkin 2002). For example, some nonprofits operating as public service delivery contractors behave like branch divisions of government bureaucracies. Other nonprofits operating as “double-bottom line” “social enterprises” behave like businesses except that they pursue social in addition to financial objectives. However, most “traditional” nonprofits operating as “grassroots” community-based organizations behave like ad hoc, volunteer, mutual interest associations. So, although there are differences among the three sectors, the nonprofit sector itself is more flexible and malleable regarding reflecting characteristics of all three sectors. Consequently, for theoretical refinement, this article’s definition of sector-based strategic orientations is rooted in organization theory and is based upon a stylized reformulation of identification of three basic mechanisms of organizational control of Wilkins and Ouchi (1983): markets (i.e., “entrepreneurial orientation”), bureaucracies (i.e., “bureaucratic orientation”), and clans (i.e., “community orientation”). Conceptually, these three strategic orientations are depicted as Weberian “idealized” organizational archetypes in table 1.

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

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12 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 and espoused values) and structural-level indicators (e.g., decision-making process, internal coordination, and 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 Ouchi 1983).

13 Formally, nonprofit designation is a legal tax status—501(c)(3)—certified by the Internal Revenue Service and encompasses a broad range or heterogeneous organizational types (Boris and Steuerle 1999). In the context of this article’s study, community-based nonprofits help to specify the kinds of nonprofits often associated with helping directly and locally implement and deliver public policies and programs in networked settings.
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 business firms that are mostly characterized by the behavior associated with the market sector: profit-seeking, opportunistic, customer-focused, and marketplace organized. This phenomenon of differentiated sector-based orientations challenges current conceptions of network management because of sector-based differences in the individual and group behavior between organizations in the public, nonprofit, and private sectors.

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 alliances among commercial enterprises often arise from firm-level cost–benefit analyses and risk–reward calculations. In contrast, collaborations 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

<table>
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<tr>
<th>Values Dimension</th>
<th>Bureaucratic</th>
<th>Entrepreneurial</th>
<th>Community</th>
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<tbody>
<tr>
<td>Ideology</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>Goals, preferences</td>
<td>Stability, accountability, equitable treatment</td>
<td>Value maximization</td>
<td>Social balance, equitable outcomes</td>
</tr>
<tr>
<td>Power and control</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>Implicit structure</td>
<td>Hierarchical, departmental</td>
<td>Quasi-autonomous units (often hierarchically structured)</td>
<td>Loosely coupled units</td>
</tr>
<tr>
<td>Decision process</td>
<td>Procedural, rationality, top-down</td>
<td>Technical, opportunistic, middle–out</td>
<td>Situational, participatory, bottom–up</td>
</tr>
<tr>
<td>Decisions</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>Information requirements</td>
<td>Reduced by use of rules and procedures</td>
<td>Extensive and systematic</td>
<td>Ad hoc</td>
</tr>
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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. Isett and Provan (2005) also make this point in their recent article arguing that public and nonprofit dyadic relationships in a network evolve differently than private sector partnerships. Lack of empirical data is one reason for this underemphasis. This article provides an empirically based conceptual framework that helps extend network management theory by incorporating sector-based differences.

Examples of the multisectoral network phenomenon are observed in some workforce development networks comprising government firms, 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 multisectoral and intersectoral 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 well-managed networked workforce systems in the country (Heldrich Center for Workforce Development 2002; United States Government Accountability Office 2003). Consequently, Boston's workforce system represents an exemplar setting for examining high-performing networks.

Boston's workforce system is one of hundreds around the country restructured by the 1998 Workforce Investment Act (WIA) to consolidate and coordinate historically fragmented federal and state programs for job training, employment services, adult education, and vocational rehabilitation. Under WIA, four separate federal agencies—the Departments of Labor, Health and Human Services, Education, and Housing and Urban Development—fund 17 categories of programs that are mandated to provide services through the One-Stop system. In addition, other local, state, and federal programs and funding streams concerning employment training and services are encouraged to also coordinate with One-Stop Career Centers.
coordination via governors working with state Workforce Boards that equally comprise business representatives and representatives of social service, education, labor, and community organizations. Similarly comprised regional Workforce Investment Boards (WIBs) provide policy oversight to local workforce systems. The centerpiece of the federal legislation and of local workforce systems are One-Stop Career Centers that are centralized points of formal access to federal, state, and local employment programs as well as less formal access to nonprofit service providers. WIA designates One-Stops—as they are usually referred—as the primary conduits to and coordinators of networks of public, nonprofit, and for-profit organizations involved in local workforce development systems. In effect, a One-Stop provides a focal view into a constellation of intersecting sectoral networks. Reflecting this flexible multisectoral role, WIA allows One-Stops either to be singularly operated by governmental, nonprofit, or for-profit organizations or to be collaboratively operated by any combination of such organizational types.

This multisectoral mix is evidenced among Boston’s three One-Stops. Massachusetts and Boston policy makers decided to create a competitive environment among three One-Stops as a way to identify whether there were distinctive sectorally based approaches to developing and providing varied service options. Through both a competitive bidding and operating process, the three designated One-Stops were intended to reflect different managerial approaches to establishing and innovating workforce services. This process resulted in the formation of three new organizational entities—legally constituted as nonprofits—that were created as strategic venture partnerships between different types of organizations emphasizing different sectoral approaches to providing services and coordinating networked institutional relationships.

Boston’s three One-Stop Career Centers are The Work Place (TWP), Boston Career Link (BCL), and JobNet. TWP is 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). BCL is operated by three community-based organizations: Dimock Community Health Center; Morgan Memorial Goodwill Industries, Inc.; and Women’s Educational and Industrial Union. JobNet is operated by the Massachusetts Division of Employment and Training (DET) 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 managerial and strategic approaches to network management. Consequently, the three different Boston One-Stops provide a quasi-natural experiment to examine different sector-based managerial approaches to network coordination. TWP exhibited an entrepreneurial orientation to developing and managing its network. BCL demonstrated a community-based orientation to its network governance. JobNet displayed a hierarchical/bureaucratic orientation to its network management.

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 policies and programs. Each One-Stop Career Center functions as a key network coordinator and hub comprising sets of formalized and less formalized relationships with dozens of government agencies, nonprofits, and for-profit service providers. Although the One-Stops share varying degrees of interdependence and interaction with the public, nonprofit, and businesses that are involved in the local workforce system, each One-Stop
operates independently. That is, the One-Stops tend not to collaborate with one another in information or resource sharing. Indeed, they occasionally compete against one another for state or federal grants. Consequently, apart from basic federally required services, each One-Stop has developed distinctive approaches to service provision and management, especially regarding their choices in collaborative partners and network coordination. Figures 1–3 illustratively depict the main networks for which each One-Stop functions as the focal hub and network (or subnetwork) coordinator. Tables 2–4 list the main organizations networked with each respective One-Stop, as well as indicate each organization’s connection to the One-Stop regarding its primary structural relationship (i.e., strong or weak tie) and resource flow (i.e., primarily funding or informational). More formalized ties may take the form of fee-for-service contracts with providers or of shared grant funding with other organizations. In the latter situations, the One-Stop may act as the fiscal agent and project coordinator for the shared services agreement. These more formalized collaborations are depicted in the figures and tables.

One-Stops are also involved in less formalized connections such as memorandums of understanding regarding service agreements or cross-referrals for services and information with dozens of public and nonprofit agencies. These activities are central to One-Stops’ core functioning in providing labor-matching and employment services and are too numerous to fully depict in a network diagram. However, the formalized networked relations illustrated in figures 1–3 provide a representative illustration of the types of connections that each One-Stop emphasizes. The One-Stops also developed a range of formal to less formal relationships with hundreds of private employers that included recurrent and one-time fee-for-service agreements, as well as consultation and information exchange. All these networked relations reflect that 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. Consequently, Boston’s One-Stops provide a quasi-natural experiment to examine sector-based differences in network coordination.

Boston’s One-Stop networks make interesting and appropriate cases to study sectoral differences in network management tasks regarding the following: (1) basic service delivery, (2) flexible service customization, and (3) interorganizational coordination. Boston’s One-Stops primarily function as labor market intermediaries that help connect jobseekers with employers by offering universal core basic services, targeted customized services, and by serving as gateways to networks of public and nonprofit providers of occupational, educational, and social services. One-Stops provide universal access to all jobseekers and employers. Most jobseeker customers receive a core set of job search services such as access to free internet computers (e.g., online job search and e-mail accounts) and fax machines, as well as access to occupational employment trends (e.g., trade journals and government reports), computerized job listings (e.g., local and national databases), and informational workshops on such topics as job search strategies and resume preparation. Many jobseekers are also eligible for intensive services such as career counseling, resume assistance, and job interview coaching. Jobseekers may also be referred to a variety of public and nonprofit agencies for other supportive and social services, through which eligibility is set separately. Depending on whether a jobseeker meets income and other eligibility criteria, a One-Stop may also provide additional pre- and postemployment supportive services by itself or through partner organizations. For a limited number of eligible jobseekers, One-Stops also provide vouchers to pay for job training by a member of its network of approved nonprofit or for-profit providers. Some One-Stops also arrange
industry-specific employer panels or multi-industry job fairs to facilitate information exchange and networking introductions between jobseekers and employers. One-Stops also provide a range of services to business employers such as postings to local and national jobs databases, information on labor market trends, consultation on finding workers with particular skills, and direct referrals and job brokering with jobseeker customers.

Regarding targeted customized supportive services, One-Stops may use a variety of public funding sources to provide extra and specialized pre- and postemployment services (e.g., case management of welfare-to-work or disabled jobseeker customers). It is at this level that One-Stops more visibly interact formerly and informally with scores of public and nonprofit agencies and private employers in a variety of bilateral and networked arrangements. One-Stops are tasked to share information with jobseekers, employers, and public and nonprofit agencies about informational and supportive services (e.g., job readiness workshops, education and training counseling, subsidized child care) available in the local networked workforce system. One-Stops may also directly contract with nonprofit and for-profit service providers for job preparation and training. One-Stops may also collaborate with subnetworks of public, nonprofit, and for-profit agencies in targeted grant-funded employment services initiatives (e.g., job readiness and postplacement supportive services for disabled workers). In such collaborative arrangements, One-Stops may serve either as the lead or as one of several partner agencies in a subnetwork involving public, nonprofit, or business organizations. A One-Stops’s role in such collaborations often depends upon its own interest and its own capacity to coordinate with other organizations.

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 cannot 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 multisectoral environment. In this respect, this article helps address the theoretical question of what are strategic approaches to network management in a multisectoral environment.

To answer this question, the study examined indicators of each of the Boston Career Center’s network interactions (i.e., information or resource transactions; strength and recurrence of ties) and management coordination (i.e., staffing structure, continuous quality improvement [CQI] activities) as they related to delivering basic and customized services throughout the networks. 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 the identification of three basic mechanisms of organizational control of Wilkins and Ouchi (1983): 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
Figure 3
TWP Network Entities and Relations (Sample Set)

Symbols
- Focal hub: 
- Key partner and sub-hub: 
- Primary service partners: 
- Contracted service partners: 
- Business employers: 

MULTIMETHOD DESIGN

This study used a multimethod approach combining qualitative and quantitative data that were analyzed to develop three comparative cases studies (Miles and Huberman 1994; Yin 1994). Following Ragin (1987, 106), the “cases are treated as an interpretive combination of characteristics, not as arrays of sample variables.” Qualitative data were collected through three mechanisms. One method included semistructured interviews—identified by “snowball sampling”—that lasted between 1 and 2.5 h with the directors and staff of One-Stops, partner organizations, and allied organizations. Qualitative data were collected via three waves of 50 semistructured 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 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

15 WIBs are mandated by the 1998 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, interagency memos, demographics, and job placement data.
observation in staff meetings of the One-Stops as well as in their sponsored career workshops, industry briefings, and job fairs. Quantitative data were 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: BCL**

As the community-oriented One-Stop, 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 cooperators and networked allies shared a historical tradition of commitment to disenfranchised communities that served as an organizing consensus regarding a community-based social mission and operations. Through its existence, BCL’s governance and management intentionally emphasized 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 dense network ties enabled it to share and shift information and resources. On the other hand, BCL’s interdependence on its community networks tended to impede its own organization’s strategic planning because of the planning and managerial challenges associated with coordinating many disparate organizational interests and actors.
An indication of BCL’s networked community-based orientation was evidenced in its staff’s extensive personal and professional ties with other community-based nonprofits. According to its annual reports, BCL’s emphasis on interpersonal-based interorganizational connections was a strategic asset and an explicit managerial decision in staff hiring and recruitment. More so than the other two Boston One-Stops, most BCL staff previously worked at other nonprofits or left BCL to work at other nonprofits. This fostered familiarity and use among current and former BCL staff of the capacity and resources available throughout the network. Compared to the other One-Stops that had fewer personal ties in their organizational networks, BCL’s interpersonal ties increased trust and reduced the transaction costs of developing informal and formal service delivery collaborations with other nonprofits, especially regarding multiorganizational contracts and grants for specialized populations.

For example, BCL’s personal and professional connections facilitated a collaborative project providing job search services to disabled jobseekers. Together with Morgan Memorial Goodwill Industries, Federal Rehabilitation Services Administration, and the Institute for Community Inclusion and several other agencies providing services to disabled people, BCL essentially created a subnetwork of organizations that shared client and job referrals, counseling and job preparation services, as well as special grant funding for

<table>
<thead>
<tr>
<th>Code</th>
<th>Organization Name</th>
<th>Structural Relation</th>
<th>Resource Relation</th>
</tr>
</thead>
<tbody>
<tr>
<td>BCL</td>
<td>Boston Career Link</td>
<td>Focal hub</td>
<td>Information; grants partner</td>
</tr>
<tr>
<td>WEIU</td>
<td>Women’s Educational and Industrial Union</td>
<td>Primary tie (operating partner); subhub</td>
<td>Information; grants partner</td>
</tr>
<tr>
<td>DCHC</td>
<td>Dimock Community Health Center</td>
<td>Primary tie (operating partner); subhub</td>
<td>Information; grants partner</td>
</tr>
<tr>
<td>MMGI</td>
<td>Morgan Memorial Goodwill Industries</td>
<td>Primary tie (operating partner); subhub</td>
<td>Information; grants partner</td>
</tr>
<tr>
<td>DTA</td>
<td>Massachusetts Department Transitional Assistance</td>
<td>Strong tie; contract fund source</td>
<td>Contract funder</td>
</tr>
<tr>
<td>BPHC</td>
<td>Boston Public Health Commission</td>
<td>Strong tie; contract fund source</td>
<td>Contract funder</td>
</tr>
<tr>
<td>NEAETC</td>
<td>New England AIDS Education and Training Center</td>
<td>Strong-tie partner</td>
<td>Cofunded; referral; information</td>
</tr>
<tr>
<td>AAC</td>
<td>AIDS Action Committee</td>
<td>Strong-tie partner</td>
<td>Cofunded; referral; information</td>
</tr>
<tr>
<td>OAO</td>
<td>Other AIDS Organizations</td>
<td>Strong-tie partner</td>
<td>Cofunded; referral; information</td>
</tr>
<tr>
<td>ICI</td>
<td>Institute for Community Inclusion</td>
<td>Strong-tie partner</td>
<td>Cofunded; referral; information</td>
</tr>
<tr>
<td>CH</td>
<td>Children’s Hospital</td>
<td>Strong-tie partner</td>
<td>Cofunded; referral; information</td>
</tr>
<tr>
<td>FRSA</td>
<td>Federal Rehabilitation Services Administration</td>
<td>Strong tie; contract fund source</td>
<td>Contract funder</td>
</tr>
<tr>
<td>BHN</td>
<td>Behavioral Health Network</td>
<td>Strong-tie partner</td>
<td>Cofunded; referral; information</td>
</tr>
<tr>
<td>TWC</td>
<td>Transitions to Work Collaborative</td>
<td>Strong-tie partner</td>
<td>Cofunded; referral; information</td>
</tr>
<tr>
<td>AIM</td>
<td>Associated Industries of Massachusetts</td>
<td>Weak ties</td>
<td>Job referrals</td>
</tr>
<tr>
<td>E</td>
<td>Employers</td>
<td>Strong and weak ties</td>
<td>Job referrals</td>
</tr>
</tbody>
</table>
providing services to this population. Another set of interpersonal ties led to a subnetwork of nonprofit providers providing job search services to jobseekers with HIV/AIDS.

Moreover, the strategic emphasis on ad hoc interpersonal relations extended beyond coordinating interorganizational relationships to coordinating basic service delivery and flexible service customization. Rather than providing services as set procedures throughout the network, BCL relied on individual staff and their network knowledge to provide job search or service referral assistance. This approach offered many opportunities for customizing services to customers. At the same time, this strategic approach did not foster standardization of service delivery across the network.

The BCL network experienced another trade-off in its strategic emphasis on interpersonal relationships in that personnel often shifted between and among networked partner organizations. Indeed, BCL itself had the highest turnover among the One-Stops of both staff and managers. This contributed to internal and external perceptions of a crisis atmosphere within BCL as staff and managers struggled to maintain operational continuity. In doing so, BCL staff often worked reactively and just in time to service demands by relying on strong and weak personal and professional ties within BCL’s networks to share information and service resources.

In an attempt to stabilize its own operational management—and after several unsuccessful internal restructuring attempts—BCL hired an organizational consultant who counseled it to function more “rationally.” BCL’s cooperators responded by developing a strategic plan that reemphasized the priorities of its cooperators. BCL’s strategic realignments mirrored the established patterns of its cooperators by focusing on disadvantaged groups, relocating from central Boston to a low-income neighborhood, and increasing its collaboration with its cooperators and community partners.

Following its strategic realignment, BCL refocused its own services and its network-based services toward serving relatively smaller numbers of jobseekers meeting distinctive “selective” group-eligibility criteria rather than serving a broad cross-section of the public.

### Table 4
**TWP Network Entities and Relation Types**

<table>
<thead>
<tr>
<th>Code</th>
<th>Organization Name</th>
<th>Structural Relation</th>
<th>Resource Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>TWP</td>
<td>The Work Place</td>
<td>Focal hub</td>
<td>Managerial; information</td>
</tr>
<tr>
<td>EDIC</td>
<td>Economic Development Investment Corporation</td>
<td>Primary tie (operating partner)</td>
<td>Managerial; information</td>
</tr>
<tr>
<td>JVS</td>
<td>Jewish Vocational Services</td>
<td>Primary tie (operating partner)</td>
<td>Managerial; information</td>
</tr>
<tr>
<td>EAC</td>
<td>Employer Advisory Council</td>
<td>Advisory</td>
<td>Informational</td>
</tr>
<tr>
<td>BCC</td>
<td>Boston Chamber of Commerce</td>
<td>Weak tie; associational</td>
<td>Informational; referral</td>
</tr>
<tr>
<td>DTA</td>
<td>Massachusetts Department of Transitional Assistance</td>
<td>Strong tie; contract fund source</td>
<td>Contract funder</td>
</tr>
<tr>
<td>DTAB</td>
<td>DTA/TWP Branch Office</td>
<td>Service location</td>
<td>Contracted</td>
</tr>
<tr>
<td>MPA</td>
<td>MA Port Authority</td>
<td>Strong tie; contract fund source</td>
<td>Contract funder</td>
</tr>
<tr>
<td>MBTA</td>
<td>Metro Boston Transit Authority</td>
<td>Strong tie; contract fund source</td>
<td>Contract funder</td>
</tr>
<tr>
<td>SCHC</td>
<td>Suffolk County House of Corrections</td>
<td>Strong tie; contract fund source</td>
<td>Contract funder</td>
</tr>
<tr>
<td>JTA</td>
<td>Job Training Alliance</td>
<td>Strong tie; contract fund source</td>
<td>Contract funder</td>
</tr>
<tr>
<td>E</td>
<td>Employers</td>
<td>Strong and weak ties</td>
<td>Fees; referrals</td>
</tr>
</tbody>
</table>
Specifically, the BCL network prioritized services to low-income Dorchester residents, disabled jobseekers, and jobseekers with HIV/AIDS. In doing so, BCL emphasized collaborative and contract-based relationships based on its strongest ties to organizations in its network that provided services to such populations. BCL’s community orientation in its network management approach enabled it to leverage both the depth and breadth of its dense and overlapping networked relationships—especially with other nonprofits—in its attempts to connect targeted jobseekers with supportive services. This strategic approach emphasized customized rather than standardized services. Overall, BCL tended to be relatively facilitative and passive in its network coordination. Because it often adopted an ad hoc self-organizing approach in its managerial behavior, the BCL-centered network frequently responded reactively to crisis and opportunities within the network and larger environment. 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 5).

**Case 2. Bureaucratic Network Management Strategic Orientation: JobNet**

JobNet was primarily operated by the DET, a behemoth state government bureaucracy historically in charge of administering the federal unemployment insurance program and employment services in Massachusetts. DET was compelled by the state Workforce Board to compete for the opportunity to operate a One-Stop Career Center as well as was forced not to locate its proposed One-Stop Career Center in the same state building ground-floor space that had traditionally housed the “unemployment office.” DET’s One-Stop program was a defensive attempt to demonstrate that its governmental-based institutional and individual employment services competency provided uniquely relevant and important public services. Consequently, the JobNet network tended to primarily comprise 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 cooperator, DET eventually contracted with ABCD—one of New England’s largest nonprofit agencies.

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. Moreover, these two large behemoth agencies were institutionally compatible because they were familiar entities to one another in that each was bureaucratically and hierarchically structured with decades of government funding and contracting experience in employment services and training. In addition, the collaboration between DET and ABCD provided access to each

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**Table 5**

<table>
<thead>
<tr>
<th>Strategic Orientation</th>
<th>Passive-to-Active Network Management Continuum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Reactive Facilitation</td>
</tr>
<tr>
<td>Community</td>
<td>Boston Career Link network</td>
</tr>
</tbody>
</table>

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other’s networks and network resources. DET was embedded in a network comprised mostly of public agencies. ABCD was enmeshed in a large network of mostly nonprofit agencies receiving government contracts.

For ABCD, the contract to cooperate 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 underserved 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 subcontractor arrangement specifying such things as payments to ABCD for information and client referrals and colocation 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 as a network hub continued to be deeply embedded within DET, a classic government bureaucracy. According to JobNet’s executive director, 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). Reflecting this orientation, JobNet sought 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 jobseekers (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 jobseekers), and contracted nonprofit service providers (servicing people with low educational attainment including those with only or no high school degree).

JobNet’s coordination processes reflected its 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 jobseekers, employers, or community-based nonprofit providers. Consequently, the JobNet network tended to be coordinated by formalized contract management procedures and intergovernmental agreements.

Another indicator of its bureaucratic orientation was JobNet’s procedural emphasis on service delivery and information management. Overall, JobNet’s approach to coordinating its network of service providers demonstrated a tendency toward standardization rather than customization and attention to individual customer needs. For example, compared to
the other One-Stop Career Centers, JobNet had more proscribed sets of services provided through more rigidly structured orientation and job search workshops. Similarly, most services available through the JobNet network were delivered by well-established nonprofits with government contracts or by public agencies with memorandums of understanding or other established protocols. Standardization was also seen in information management. Unlike BCL or TWP, 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 statewide effort to rationalize the data collection and reporting systems for all One-Stop Career Centers in Massachusetts. In general, JobNet’s bureaucratic orientation supported relatively stable coordination of its networked relationships, although 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 primarily an example of hierarchical-based directive administration, with a limited degree of active coordination due to the limited coordination by ABCD of its subnetwork (see table 5).

**Case 3. Entrepreneurial Network Management Strategic Orientation: TWP**

TWP was cooperated by the Boston city–chartered corporation in charge of economic development—EDIC—and one of Boston’s most enterprising nonprofits—JVS. Both cooperators themselves 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 networks of land and industrial developers and financiers to promote private sector initiatives. EDIC saw cooperating TWP as a general opportunity to promote its economic development objectives and as a specific opportunity to potentially leverage workforce services in its negotiations with developers and businesses. JVS saw TWP as a learning opportunity to hear from business employers about their human resource needs and so strengthen JVS’ own customer fee–based and government-contracted career services. JVS also saw 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, TWP 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 BCL 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 the other One-Stops and government programs. One indication of its attempt to deviate from governmental rules–based practice was TWP’s adoption of CQI—an approach developed and widely used in the private sector to increase business operational efficiency that relies on extensive data analysis for assessing opportunities, diagnosing problems, generating options, and experimenting with services, product lines, and marketing campaigns. TWP hired and used CQI consultants before it opened its doors for business as part of its strategy to provide customized employer-focused fee-based
services and increase 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 One-Stops in terms of strategic management and service innovation and delivery with its networked partners.

In contrast to BCL and JobNet that emphasized developing a network of governmental and nonprofit service-providing organizations, TWP emphasized the development of a network of employer customers. And, whereas BCL and JobNet provided few fee-based services to employers, TWP prioritized the provision of employer-focused fee-based services—as well as jobseeker fee-based services. This was partially because TWP believed that meeting market-based demand was the best indication of providing quality employment services. TWP also believed that the labor-matching process depended more on job availability than the number of jobseekers. It also prioritized fee-based services to employers because TWP determined that employers had more financial resources to pay for services than jobseekers. This overall approach was reflected in TWP’s development of its networked relationships which targeted employer businesses.

TWP emphasized strategic and innovative networking with employers. For example, TWP developed a successful and profitable series of job fairs targeted to different employer networks. TWP developed job fairs in which employers paid TWP for booths and access to prescreened jobseekers. Some job fairs were designed for place-based employers such as those at Logan Airport seeking workers. Some job fairs were sector based such as those for the health-care industry. TWP also sponsored a series of industry sector–based breakfast and lunch gatherings to create and grow its employer networks. In another example, TWP created a “Corporate Partners” program that provided extra and customized services to employers willing to pay a monthly contribution for membership in this fee-based subnetwork.

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 jobseeker and employer customer demand. As a result, there were fewer governmental and nonprofit organizations in the TWP network than in the BCL and JobNet networks. TWP’s ties to public and nonprofit agencies tended to be more strategically and financially contingent—usually contract based.

One consequence of TWP’s entrepreneurial approach to network development and coordination was that TWP sometimes needed to be monitored and coerced into providing public services to specialized populations. 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, financial center high-rise office building location. After being threatened by the state that it might lose its profitable welfare-to-work contract with the state welfare agency, TWP relented and assigned a job broker to the satellite welfare office. This experience illustrates TWP’s pattern of developing organizational partnerships when TWP determines that such network connections are strategically and financially expedient.

TWP’s entrepreneurial strategic orientation in its network management approach was evidenced in the priority development of revenue-generating network connections. This
was seen in the creation and cultivation of networks of employers, especially businesses willing to pay for customized employment services. This was also seen in TWP’s pursuit of organizational ties to governmental and nonprofit agencies as part of revenue-producing contracts or grants. Because it often adopted a strategically focused approach in its entrepreneurial managerial behavior, the TWP network frequently responded quickly and creatively to market opportunities. This was reflected in the development of fee-based customized services. However, TWP tended to be relatively opportunistic and contingent in its network coordination, at times requiring monitoring and coercion to deliver services to some disadvantaged customers unless TWP saw profit in providing such services. 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 5).

**SUMMARY FINDINGS**

This article presents an investigation of three Boston One-Stop Career Center networks analyzed as part of a quasi-natural experiment to examine sector-based differences in multisectoral network management. Each One-Stop network experienced similar funding levels, legislative mandates, institutional parameters, and labor market conditions. However, the One-Stop networks exhibited sector-based differences in their approaches to developing and coordinating their networks. The study’s unique setting enables an empirically grounded, yet theoretically stylized, examination of sector-based network differences. Of course, this article does not purport to analyze separate sectoral networks of public, nonprofit, and for-profit organizations that operate independently as sectoral networks but with comparative functions in the same environment. Such experimental cases are not feasible. Instead, this study emphasizes the stylized organizational characteristics that are based on each of the three sectors. It is this framing that enables an analysis of sector-based differences in network management. A sector-based strategic orientation framework helps clarify and categorize these network management differences by conceptually bundling managerial attributes and activities (e.g., strategic priorities, operational mechanisms, information use, and service delivery mode) thematically organized around a sector-based normative value set. The robustness of this framework is further highlighted when situated within the passive-to-active continuum of extant network management theories.

The three strategic orientations were illustrated by Boston’s One-Stop networks. Overall, the BCL network demonstrated a nonprofit-based 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 its basic and customized service delivery which was characterized by referrals through dense overlapping interpersonal and interorganizational connections, dynamic customized responses to special customer needs, tactical reactions rather than strategic planning for service coordination, network-embedded information and resource transactions with community-based nonprofit organizations, and targeted services to specialized populations. This approach is reflected in the words of one of BCL’s serial executive directors: “for 100 years our partners collectively provided services of, to, and for Boston’s communities.” BCL’s mixed portfolio of organizational ties provided it with an extensive repertoire of tacit and specialized knowledge about different
subpopulations. Consequently, the BCL network’s operational performance was episodically effective but relatively inefficient and uneven. The BCL network experience suggests that a network primarily managed by a community-focused organization may likely demonstrate a community strategic orientation by using reactive facilitation and contingent coordination in its network coordination.

TWP network demonstrated a market-based 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 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 with public and nonprofit agencies, and development of subnetwork niche markets. According to TWP’s cuff-linked pin-striped executive director, “we’re not a government program, we’re in the business of providing high-quality services at prices people are willing to pay, because that’s how we really know we’re providing valued quality services.” The TWP network experience suggests that a network primarily coordinated by a market-focused organization may likely demonstrate an entrepreneurial strategic orientation.

The JobNet network demonstrated a governmental-based bureaucratic strategic orientation in its interactions that was manifest on the passive-to-active network management continuum as hierarchical-based directive administration. To a lesser degree, there was also active coordination when also considering the subnetworks coordinated by its cooperating partner ABCD. Overall, however, hierarchical-based directive administration characterized the dominant coordinating strategy of the JobNet network. This approach was indicated in the JobNet network’s hierarchical-based coordination that enabled standardized service delivery but constrained customized service delivery, and relatively weak impersonal ties to employers, jobseekers, and community organizations. JobNet emphasized network partners—including many governmental agencies—that provided services to the hardest-to-serve populations such as welfare recipients and jobseekers with low educational attainment (e.g., high school degree or less). As stated by JobNet’s executive director—a 20-year DET civil servant—“we see ourselves as a bureaucracy with a heart ... since we [the state] are the place of last resort for people with no where else to go.” The JobNet network experience suggests that a network primarily coordinated by a large governmental agency may likely demonstrate a bureaucratic strategic orientation.

THEORETICAL PROPOSITIONS

Conceptually, the sector-based network strategic orientation framework may be used as a heuristic device to diagnose the functional and institutional attributes of a multisector network. The framework serves as a reference to help consider the range of strategic options and role choices available to managers when attempting to coordinate multisectoral 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. The mixed-sector strategic orientation framework gives rise to several theoretical propositions regarding network coordination:

Proposition 1. Community-based networks are characterized by nonprofit sector organizational values that make them responsive to managerial strategic
orientations involving reactive facilitation and/or contingent coordination.

Proposition 2. Entrepreneurial-based networks are characterized by market sector organizational values that make them responsive to managerial strategic orientations involving contingent coordination and/or active coordination approaches.

Proposition 3. Bureaucratic-based networks are characterized by public sector organizational values that make them responsive to managerial strategic orientations involving hierarchical-based directive administration and active coordination.

This article argues that sector-based managerial differences matter in network behavior just as they do in organizational behavior. Clarifying and categorizing sector-based differences in networks helps illuminate mixed-sector networks as well as contributes to a better understanding of the possible choices and trade-offs in network 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 multisectoral networks or policy arenas. Moreover, the coexistence of three networks with distinct strategic orientations is unlikely to be found in many other settings due to reasons such as insufficient resources, political discordance, and inappropriate institutional and market conditions. Therefore, the strategic orientation framework is neither necessarily generalizable nor predictive of all multisectoral networks (or single- or bisectoral networks).

Each of the network cases presented illustrated dominant tendencies associated with a single strategic orientation. They also shared, to a limited degree, elements of all three orientations. In this regard, all three networks illustrated the increasing prevalence of blurred boundaries between governmental, market, and nonprofit sectors in implementing public policies. From this perspective, the cases in toto provide a prismatic view of the complexity of network dynamics prevalent in many aspects of contemporary mixed-sector network management.

THEORIZING THE NETWORK MANAGEMENT TRILEMMA

In such environments, what options are available for coordinating mixed-sector networks? The sector-based strategic orientation framework provides a conceptual tool for considering three managerial approaches to network coordination along the passive-to-active coordination continuum. Theoretically, the framework offers a way to clarify and categorize different activities that may be associated with three network coordination strategies. Another theoretical implication is that the framework raises in relief the management trilemma facing network managers in these situations. The sector-based framework enables conceptualizing the associated trade-offs of different management strategies for network coordination.

Theoretically, a network manager adopting a bureaucratic strategic orientation uses hierarchical-based directive administration as well as active coordination approaches emphasizing formalized interorganizational relations based on contracts or standardized procedures. The bureaucratically oriented network manager employs similarly formal mechanisms in coordinating service delivery through the network. Strategically focused
bureaucratic-oriented coordination activities include the following: (1) documented procedures regarding standardized basic services, (2) increased influence by government managers and policy makers, and (3) regular accountability reports concerning governmental policy or program objectives. Theorized trade-offs of these coordination activities include equitably delivered, standardized service delivery throughout a network versus flexible customized service delivery throughout a network coordinated with entrepreneurial or community strategic orientations.

In theory, a network manager with an entrepreneurial strategic orientation uses contingent coordination as well as active coordination approaches emphasizing quid pro quo interorganizational relations. The entrepreneurially oriented network manager employs customer- and market-focused mechanisms in coordinating service delivery through the network. Strategically focused entrepreneurial-oriented coordination activities include the following: (1) incentives related to performance goals (e.g., percentage of revenue from fee-based services), (2) increased influence by business representatives (e.g., business advisory committee), and (3) integrated use of CQI processes. A theorized trade-off of these coordination activities is network service delivery that is responsive to customer needs but that may require monitoring to ward against opportunistic and inconsistent service delivery in the network.

A network manager adopting a community strategic orientation uses reactive facilitation as well as contingent coordination approaches emphasizing interorganizational relations embedded in interpersonal relationships. The community-oriented network manager employs personal ties and knowledge in coordinating service delivery through the network. Strategically focused community-oriented coordination activities include the following: (1) repeated social and professional ties with groups or networks of community-based nonprofits, (2) increased influence by community representatives (e.g., community advisory committee), and (3) staff with connections to neighborhood nonprofits. A trade-off of these coordination activities is personalized network service delivery versus standardized service delivery.

Another theoretical implication of the multisectoral trilemma of network management is the possibility to interject and experiment with coordination strategies. By mixing and adjusting coordination activities in the transorganizational processes of a network, it is theoretically conceivable to cultivate a check-and-balance or integrated approach to managing a network. A conceptual framework that helps clarify trade-offs associated with different network management strategies may lead to an improved understanding of the design, dynamics, and development of mixed-sector networks.

Better understanding network dynamics is important for managers increasingly tasked to coordinate initiatives involving 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” (Salamon and Lund 1989, 12–3). To address this dilemma, some theorists have proposed network approaches as a way to make sense of policy making and the implementation process that occurs within complex institutional settings. However, such network approaches have tended to emphasize Powell’s (1990) high-contrast distinction of network forms of coordination as independent from markets and bureaucratic forms. This view tends to overemphasize networks as responses that are relatively self-organizing, flexibly responsive, effective, stable, and lasting. This perspective also tends to underemphasize that some network approaches may 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 in a mixed-sector environment.

As an alternative to distinguishing networks as separate from hierarchic and market forms of coordination, this article suggests that mixed-sector 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 hierarchic internal coordination, and competing and coexisting value systems. A generalized network approach that underemphasizes sectoral differences may mask important differences in such 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 networked environments. Given the escalation in blurred public/nonprofit networked initiatives, it is helpful for managers to better understand their options regarding network coordination approaches and network service delivery processes.

The sector-based strategic orientation framework and its relationship to the passive-to-active network management continuum offer a way to theorize mixed-sector network complexity. A key finding of this research is that managers may wield more influence on network dynamics than previously theorized. 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, managers may better recognize the strategic roles and choices available to them for addressing the trilemmas of network management.

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