

How Do Structural Network Characteristics Relate to Network Governance?

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Aim

This research investigates structural characteristics of interorganisational networks and how these relate to network governance. Network forms of organisation, being neither market nor hierarchy, are based on mutual strengths, trust, and flexibility among cooperating organisations, provide a platform for the exchange of resources and knowledge, and foster innovation (Powell, 1990). Theoretically, the network perspective serves to explain economic organisation and behaviour and provides an analytical toolkit for the investigation of network structures. This study aims at uncovering governance in networks based on network structural characteristics. The theoretical contribution of the paper is advancing knowledge on the structure of interorganisational networks and how they are governed. Specifically, we analysed cross-sectoral sport industry clusters and their particularities in terms of actors, social context, informal and formal relationship building, and forms of governance.

Theoretical Background and Literature Review

Initially social network analysis (SNA) focussed on informal, interpersonal relationships of one focal individual (ego networks). SNA methods at individual level evolved to the clique-level, the decomposition of networks into different constituting sub groups. These sub groups might be linked via weak ties between individuals of each clique. This led to the idea of whole networks including all actors of a 'social space' that comprises a group of actors together with the environment of each group member (Granovetter, 1985).

Being part of a network and being linked to various other networks (weak ties) provides individuals and organisations with access to resources, knowledge and information that they would not be able to access without the network. The governance of these networks bear important implications with regards to access and gatekeeping of these networks.

In this article, we adopt the definition of governance as informal or formal exchange of resources or knowledge that create interdependencies that potentially affect power relationships between member organisations of a network. Existing research on governance focuses on governance of organisations, hence board composition, performance and functioning and calls for more interorganisational network governance research (Provan & Kenis, 2008; Shilbury, O'Boyle, & Ferkins, 2016). While other disciplines have progressed on network governance research, there is still little knowledge on the governance of interorganisational networks in the field of sport and sport management (Wäsche, Dickson, Woll, & Brandes, 2017).

Research Design and Data Analysis

This research is based on a mixed methods approach to network analysis. First, qualitative data were collected for two case studies in the surfing industry (France and Australia). The empirical context are two different surfing industry clusters consisting of various surf product and service providers, sport providers, regional sport and public governing bodies, and universities. Semi-structured interviews (49 in total) were conducted, transcribed, and analysed. We interviewed several organisations per type of cluster organisation. For the SNA

we considered aggregated actors, comprising all organisations of one type. The ten types of sport cluster organisations suggested by Gerke, Desbordes, and Dickson (2015) were used. The first analysis round was screening the interview transcripts for any element that indicated a linkage between the interviewed organisation and another cluster organisation. Linkage included here short-term and long-term exchange of knowledge or resources in formal or informal ways. The pre-coded data were then revisited and synthesised qualitatively and quantitatively in a table.

Results and Discussion

The triangulation of thematic analysis of qualitative data and SNA of network data generated from the qualitative data allowed us to draw conclusions on network governance in the studied clusters. Using the typology of Provan and Kenis (2008) to interpret our results we can argue that in both cases there is evidence for shared participant governance but that the central role of boardsport brands also provides evidence for lead organisation governance by one or a few network members (i.e., one or several boardsport brands). The existence of a cluster network organisation in the French cluster indicates also evidence for a network administrative organisation-governed network. In the Australian case there is another actor, the equipment specialist, that take a similarly central role as the boardsport brands based on the interconnections.

Conclusion and Implications

Overall, the study of these two cases show that there is no unique answer on the question of governance of sport cluster networks. There is evidence in both cases for shared governance through one lead organisation or several cluster organisations. However, in the case of the presence of a formalised cluster network organisation, the prevailing governance mode is the network administrative governance. These two cases provide tendencies of network governance in sport clusters. However, more cases and different cases need to be studied to validate these tendencies and to develop a generic model of cluster typologies and life cycle stages linked to governance models. Knowledge on governance models' dependence on network structure would allow cluster managers and cluster organisations to better exploit the potential that provide network forms of organisations such as clusters.

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