HOW TO MANAGE YOUR POLICY NETWORK

R. A. W. Rhodes
Professor of Government, University of Southampton,
and Griffith University, Brisbane, Australia

Contact address
Faculty of Social and Human Sciences
University of Southampton
Murray Building
Southampton
SO171BJ
United Kingdom

Email: r.a.w.rhodes@soton.ac.uk

Abstract

This discussion paper poses four questions. What are policy networks? When do policy networks succeed? When do policy networks fail? How do we manage networks? It discusses the defining characteristics of networks: trust, diplomacy and reciprocity. It sets out Ten Lessons on when to build a network and Ten Commandments for running a network. It pays particular attention to the sour laws of network governance: that is, to managing the mix, the problem of many hands, the holy grail of coordination, and local ownership. Finally, it offers five’ plausible conjectures’ for successful network management. Networks are not tools of government to be managed to achieve central objectives. Their strength lies in independence from government. The role of any central agency is restricted to providing collaborative leadership and technical assistance to support that role. Strategic planning is based on agreed ways forward - on signposting, not directing - and on developing an agreed narrative about the network. The goal is to develop organizational glue through quick wins that ensure the network’s future. The means are the arts of diplomacy and storytelling.
“Now, if I were in the place of this Prince, wielding his power, subject to his passions and prejudices, what effect would my mission and my arguments have on me? The more often he puts himself in the position of others, the more subtle and effective will his arguments be” (François de Callierès 1716).

Introduction

This discussion paper answers four questions:

1. What are policy networks?
2. When do policy networks succeed?
3. When do policy networks fail?
4. How do we manage networks?

It concludes with five plausible conjectures on how to build and maintain a network.

What are policy networks?

Network analysis comes in many guises. It is common to all the social science disciplines. This discussion paper focuses on that species of network analysis most common in political science and public administration - policy network analysis. Few social science disciplines can ever agree on the meaning of an idea. So, a policy network is one of a cluster of concepts focusing on government links with, and dependence on, other state and societal actors. These notions include issue networks: iron triangles, policy sub-systems, policy communities, and epistemic communities (see Rhodes 2006a and Klijn 2008 for surveys and citations). Commonly, they differ in their degree of integration, with issue networks being loosely integrated and policy communities tightly integrated. Whatever the terminology, all remain varieties of networks. Here I focus on ‘policy networks’ and define them as:
The sets of formal institutional and informal linkages between governmental and other societal actors structured around shared, if endlessly negotiated, beliefs and interests in public policymaking and implementation.

Behaviour in policy networks is game-like, grounded in trust and regulated by rules of the game negotiated and agreed by network participants. Variations in the distribution of resources and in the bargaining skills of actors explain both the differences in outcomes in a network and variations between networks. These actors are interdependent and policy emerges from the interactions between them. Such networks have a significant degree of autonomy from government.

Networks can and do develop from the bottom up. They are also initiated by central agencies. Both often operate in the shadow of hierarchy because they depend on the centre for resources. Yet networks have distinctive characteristics of their own and Figure 1 provides a brief comparison of the three main ways of delivering services.
Networks are a distinctive co-ordinating mechanism and, therefore, a separate governing structure from markets and hierarchies because trust is their central co-ordinating mechanism in the same way that commands and price competition are the key mechanisms for bureaucracies and markets respectively. Trust is essential for co-operative behaviour and, therefore, the existence of the network. It is the defining attribute. Networks are also characterised by diplomacy and reciprocity. I discuss each in turn.

**Trust**

At the heart of networks and management by diplomacy is the notion of trust; it is ‘the most important attribute of network operations’, the central coordinating mechanism (see, Kramer and Tyler 1996). Shared values and norms are the glue which holds the complex set of relationships together; trust is essential for cooperative behaviour and, therefore, the

---

existence of the network. Moreover, trust is non-calculative. As Powell (1996: 63) points out, trust is: 'neither chosen nor embedded but is instead learned and reinforced, hence a product of on-going interaction and discussion'. Preserving trust is, therefore, a reciprocal and endless task. Fox's (1974: 362) conclusions about trust in industrial relations are equally apt for networks. Thus, in networks with high trust relationships, participants:

- share certain ends or value; bear towards each other a diffuse sense of long-term obligations; offer each other spontaneous support without narrowly calculating the cost or expecting any equivalent short-term reciprocation; communicate freely and honestly; are ready to repose their fortunes in each other's hands; and give each other the benefit of any doubt that may arise with respect to goodwill or motivation.

**Reciprocity**

Networks involve friendship, loyalty, even altruism (Thompson 1993: 54-8) but above all network culture is characterised by reciprocity. As Powell (1991: 272-3) comments, reciprocity is rooted in 'the normative standards that sustain exchange', especially indebtedness, obligation and a long-term perspective. So, a lack of equivalence creates a moral sanction, bonds that keep the parties in touch with one another; the books are balanced only in the long term. However, as Thompson (1993: 58) points out, reciprocity is also a symbolic relationship and 'in the constant ritual of exchange, deep obligations and duties are established, symbolic statuses confirmed, metaphorical social references invoked'. In this way, network coordination becomes stabilised.

**Diplomacy**

Diplomacy refers to management by negotiation. The diplomat must persuade 'another government to accept and perhaps actually help to promote the policies which it is the
 ambassador's function to advocate’. The main technique is 'the maintenance by continual persuasion of order in the midst of change' (Watson 1982: 125 and 223). Nicholson (1950 p. 15) defines diplomacy as 'the management of international affairs by negotiation'. For all its slightly old-fashioned, even quaint air Nicholson signals an important shift in style to a language which stresses sitting where the other person sits and helping other people to realise their objectives. We relearn old lessons (de Callierès 1963 [1716]). The emphasis lies not in imposing one's objectives on another but on finding out about the other.

Diplomacy may be an old-fashioned word but the arts of negotiation and persuasion are not confined to it. As Sir Douglas Wass said, 'finesse and diplomacy are an essential ingredient in public service' (Hennessy, 1989 p. 150). Such skills lie at the heart of steering networks. Public servants have been managing networks for years but either chose not to talk about it or like Molière’s Monsieur Jourdin, did not know they had been speaking prose all their life. The idea is not new, although it can seem novel; it was just temporarily misplaced. Words like diplomacy, trust and reciprocity are central to managing networks.

**When do networks succeed?**

Networks thrive where markets and hierarchies fail, where trust and reciprocity characterise the relationships between organisations, and where management is by negotiation, not command. This much is obvious from Table 1. Also, as with any other form of public sector management, success depends on the relevant information, skills and resources. When actors hoard information and resources, when in effect they refuse to share, then the cooperation that defines networks is unlikely to be forthcoming. The existing literature also identifies several other more specific conditions under which networks will thrive; see Figure 2.
FIGURE 2: When to Build A Network: Ten Lessons

- **TEN LESSONS**
  - Cross-sectoral, multi-agency cooperation spanning the public, private and voluntary sectors is required.
  - Professional discretion and expertise are core values.
  - Quality cannot be specified or is difficult to define and measure.
  - Actors need reliable, 'thicker' information, or local knowledge.
  - Commodities are difficult to price.
  - The policy arena is insulated from party politics.
  - Service delivery is localised.
  - Central monitoring and evaluation incur high political and administrative costs.
  - Implementation involves chains of organization and there is the prospect of many ownership disputes.
  - There is a shared narrative or overlapping narratives of what we are doing and why.

Source: Updated from Rhodes 1998 and citations.

In other words, networks succeed when service delivery is cooperative, depoliticised, professionalised, localised, and customised.

**When do networks fail?**

Networks, like all other resource allocation mechanisms, are not cost free. Managing the institutional void is difficult. Networks are hard to steer – it has been likened to herding cats, or pulling rubber levers. It is a time consuming and slow process complicated by the sour laws of
network governance: that is, managing the mix, the problem of many hands, the holy grail of coordination, and local ownership.

Managing the mix (or competition vs. cooperation)

Networks are difficult to combine with other means for delivering services. One clear effect of marketization is that it undermines the effectiveness of the networks it spreads. Contracts undermine trust, reciprocity, informality and cooperation. I am not arguing that networks are unworkable. All governing structures fail. Governments have to find the right mix because the several mechanisms can mix like oil and water. Competition and cooperation are uneasy bedfellows. The government promoted competition and contracting-out. The result was to 'corrode ... common values and commitments' and 'to create an atmosphere of mistrust'. Market relations had 'corrosive effects' on 'professional networks which depend on cooperation reciprocity and interdependence' (Flynn, Williams et al. 1996: 115 and 136-7). In short, contracts undermine trust, reciprocity, informality and cooperation.

Individuals cope with the clash between cooperative and competitive styles by drawing on folk theories; on their inherited stories of how things work around here (see below). They can live in this mixed world. They calculate which service delivery mechanism will work in which context. But the dilemma is pervasive. They miscalculate which message to send to other actors or which setting is appropriate for their message. Their frustrations can be heard in exasperated yet heartfelt pleas for other agencies ‘to be more like us’.

The problem of many hands (or accountability vs. efficiency)

Bovens (1998, 46) identifies the ‘problem of many hands’ where responsibility for policy in complex organizations is shared and it is correspondingly difficult to find out who is responsible. He also notes that fragmentation, marketization and the resulting networks create ‘new forms of
the problem of many hands’ (Bovens 1998, 229). In a network, the constituent organizations may hold the relevant officials and politicians to account but to whom is the set of organizations accountable. Performance indicators may enhance efficiency but, in a multi-agency context, buck-passing is much more likely because responsibility is divided and the reach of central agencies is much reduced (Mulgan 2003, 211-14). All too often, networks are closed to public scrutiny; they are a species of private government. The brute fact is that multiple accountabilities fuel fears of duplication, overlap and inefficiency as they weaken central control and foster a ‘not me guv’ response from network members (Mulgan 2003, 225).

The holy grail of coordination (or control vs. mutual adjustment)

The search for coordination has a centralising thrust. Its advocates seek to coordinate departments and other agencies - whether of the centre, the states or local government, whether public or private - by imposing a new style of management on other agencies. A command operating code, no matter how well disguised, runs the ever-present risk of recalcitrance from key actors and a loss of flexibility in dealing with localised problems. Gentle pressure relentlessly applied is still a command operating code in a velvet glove. When you are sitting at the top of a pyramid and you cannot see the bottom, control deficits are an ever-present unintended consequence.

What we see here is an age-old problem dressed up in fashionable phrases. That problem is coordination. We know that, despite strong pressures for more and proactive coordination throughout Western Europe, the coordination activities of central governments remain modest. According to Wright and Hayward (2000: 33): coordination has four characteristics.

(i) It is largely negative, based on persistent compartmentalisation, mutual avoidance and friction reduction between powerful bureaux or ministries …
(ii) Even when cooperative, anchored at the lower levels of the state machine and organised by specific established networks, coordination is sustained by a culture of dialogue in vertical relations and of integration at the horizontal level.

(iii) It is rarely strategic, so almost all attempts to create proactive strategic capacity for long-term planning … have failed …

(iv) It is intermittent and selective in any one sector, improvised late in the policy process, politicised, issue-oriented and reactive. Coordination is the ‘philosopher’s stone’ of modern government, ever sought, but always just beyond reach, all too often because it assumes both agreement on goals and a coordinator (Seidman 1975: 190). Network members complain that ‘you can’t shake hands with a clenched fist’.

But coordination is not confined to central coordination by rules. There are alternatives. The all-too often ignored but classic book on informal coordination is Lindblom’s (1965) analysis of partisan mutual adjustment. A partisan is a decision maker who makes decisions calculated to service his or her own goals. Mutual adjustment occurs when a decision maker either simply adapts to decisions around him or seeks to induce changes in other decision makers. There is no central authoritative decision maker. Rather, each decision maker seeks to induce others to adjust using such methods as bargaining, reciprocity, manipulation, and compensation (see also, Chisholm 1989). The overlap with the idea of diplomacy is both obvious and inescapable.

Ownership (or strategic guidance vs. local flexibility)
This conflict comes in various forms, notably: individual vs. organizational commitments; local vs. national public expectations; local flexibility vs. national rules; and network goals vs. national regulators. Local networks cease to be local networks when centrally manipulated or directed. In effect, when networks are centrally managed, horizontal relationships are transformed into vertical relationships. The centre has to calculate whether the costs of agreement are greater than the costs of imposition and all too often it finds in favour of the latter. Such relationships are better described as exercises in official consultation; at least this phrase does not imply any local discretion. The dilemma is between hands-on versus hands-off styles of intervention; between strategic guidance and local flexibility. Central actors can adopt a decentralized negotiating style that trades a measure of control for agreement. This style of hands-off management involves setting the framework in which networks work but then keeping an arm’s length relationship. Central actors find self-denial even harder to keep than New Year’s Resolutions. As network members caustically observe, ‘they can talk the talk but they can’t walk the walk’.

**How do we manage networks to increase the chances of success?**

If networks are seen as tools of a central agency then the means for managing them fall into three broad groups. Instrumental tools include rewards, sanctions and micro-management of the network. Interaction tools encompass negotiation and diplomacy. The phrase ‘institutional tools’ refers to the central agency changing the rules of the game; that is, resetting the parameters to network behaviour (see, Kickert et al 1997). My list of Ten Commandments combines these different types of tools (see Figure 3). As Perri 6 et al (2002: 130) point out network management ‘is not rocket science’. My list gives credence to their claim.
### TEN COMMANDMENTS

- **Build a shared narrative.** Share, adjust continuously, and locally negotiate the network’s objectives.

- **Be a diplomat;** represent your agency and the network.

- **Constant nurturing;** be patient and facilitate interactions by working with and through people.

- **Integrate agendas and understandings of what the agenda is for.**

- **Set ‘rules of the game’** for the broad operating context but leave action on local problems to network members.

- **Know your limitations, develop clear roles, expectations and responsibilities for all players and stay within the boundaries of your network.**

- **Recognise each other’s expertise and shared working culture.**

- **Share agreed and delegated decision making and service delivery arrangements.**

- **Provide incentives for agreeing criteria on what constitutes success.**

- **Take your share of the joint administrative burden.**

As important as the specific lessons and commandments of Figures 2 and 3 are the ideas embedded in them; top down vs. bottom up, organizational glue, rules of the game, collaborative leadership, and storytelling.

*Top down vs. bottom up*

We know from studies of implementation and of street level bureaucrats that top-down initiatives are often confounded. Top-down models of implementation take the government’s stated policy objectives as the starting point and examine why they do not succeed (see for example: Pressman and Wildavsky 1984). Failure is attributed to a diffusion of intent as multiple agencies become involved, lack of compliance, understanding or both. Oversight, monitoring and stronger direction from the centre are common palliatives often with little effect. The view from the bottom-up is different; it highlights that implementation is mediated through the actions of front-line workers whose perspectives reflect local conditions, local knowledge and professional expertise. For example, Lipsky (1979: xii) argued that ‘the decisions of street level bureaucrats, the routines they establish, and the devices they invent to cope with the uncertainties and work pressures, effectively become the public policies they carry out’. My account of networks takes it as axiomatic that they are messy and amorphous and that central agencies may intervene but cannot control.

*Organizational glue*

The notion of organizational glue overlaps with many other notions; for example occupational culture, institutional memory, and administrative culture. All have in common the idea that the inherited beliefs and practices of members of an organization are the social glue that binds an organization together. Networks are no exception, with the obvious proviso that an incipient network will have little or no inheritance and so little in the way of
organizational glue. There are at least two ways to develop such glue. First, the network leaders can construct a narrative that frames the experience of other network members (see below). Second, the activities of the network can create shared experience. In ascending order of difficulty, network members can share information, agree to limited joint working, undertake strategic planning, provide integrated service delivery, and pool resources. What is feasible is best because ‘quick wins’ – for example, successful joint ventures - will meet members’ expectations, build trust, and reinforce network behaviour.

Rules of the game

Many networks operate in the shadow of hierarchy; that is they are dependent on central agencies for legal authority and financial resources but are at arm’s length for implementation. In turn, because they include the private and voluntary sectors, the networks provide more resources for central agencies. Networks are a bridge to civil society. The role of central agencies is to set the parameters to networks actions by, for example, strategic planning. The problem with strategic planning is that it can become a millstone around the network, daunting in its length, detailed prescriptions, and wealth of performance indicators - and that is before it is overtaken by events. It need not be so; for example, one senior British government Minister brought in his department’s strategic plan scribbled on one sheet of A4 paper. His strategic plan was a signpost for the department, not an A-Z street map.

Collaborative Leadership

Ansell and Gash (2008, 544) define collaborative governance as a collective decision-making process “where one or more public agencies directly engages non-state stakeholders” in the “formal, consensus oriented, and deliberative” implementation of public policy or management of public programmes. The key question is whether opposing stakeholders can
work together in a collaborative way. The answer is a ‘cautious yes’” and a key part of that answer is leadership, which is ‘crucial for setting and maintaining clear ground rules, building trust, facilitating dialogue, and exploring mutual gains’ (Ansell and Gash 2008, 12–13). Such leadership is variously described as, hands-off, soft, integrative, facilitative or diplomatic. This leader as local entrepreneur is about building networks. For Stoker (2004: 139), the task is ‘to facilitate voice in diverse communities, and reconcile differences, develop shared visions and build partnerships to ensure their achievement’. Leadership is not about control but about supporting people as they find their own solutions.

**Storytelling**

The ‘art’ of collaborative leadership lies in storytelling, which is increasingly recognized as a tool for managers. Thus, the business studies literature sees leadership as being about ‘the management of meaning’ and a way of leaders ‘exerting their influence on followers’; they ‘educate, inspire, indoctrinate and convince’ (Shamir et al 2005: 14 and 15). It is ‘socially constructed through interaction’ and effective leadership ‘rests heavily on the framing of the experience of others’ in which ‘language, ritual, drama, stories, myths and symbolic construction ... play an important role’ (Smircich and Morgan 1982: 258 and 262). Such insights are translated into practical lessons throughout the organization in the stories told by senior management (see for example, Denning 2004; Rhodes 2011). So, the key facilitative role of the collaborative leader in building and managing a network is framing the shared story about what we are doing and why we are doing it.
Conclusions: or some plausible conjectures

Political scientists have a poor track record of prediction but we can aspire to ‘plausible conjectures’; that is, to making general statements which are plausible because they rest on good reasons and the reasons are good because they are inferred from relevant information (paraphrased from Boudon 1993).

The relevant information underpinning my conjectures are summarised in Figure 4.
What specific conjectures follow from the analysis in this paper? Five seem obvious.

1. Networks are not tools of central agencies to be managed to achieve central objectives. Their strength lies in independence from central agencies.

2. Central agencies can provide the collaborative leaders, and the technical assistance that they may need, to facilitate building and managing the network.

3. The central agency can provide strategic signposting that sets the broad parameters for local network action to ensure networks operate in the shadow of hierarchy.
4. Collaborative leadership requires diplomatic skills and the art of storytelling.

5. The goal is to develop organizational glue from information sharing, through limited joint working to integrated service delivery and pooled resources, thereby ensuring the network’s future.

But networks are messy. There are no guarantees of successful outcomes only the relentless pressure from the sour laws of network governance and the imperatives of constant nurturing. To update François de Callierès, network leaders, whether drawn from the central agency or from network members, need to stand in the other person’s shoes or (if you prefer) sit where the other person sits. According to Clifford Geertz (1973: 9), cultural anthropology is about explicating ‘our own constructions of other people’s constructions of what they and their compatriots are up to’. The would-be network manager is a budding anthropologist. This strategic storyteller must understand and share other people’s stories to create the glue that holds the network together.
Reading


**Acknowledgement**

I must thank Jenny Fleming and Gerry Stoker for commenting on the first draft at impossibly short notice. For this survey paper, I have drawn on my earlier work on policy networks, mainly: Rhodes 1997a and 1997b; 1998; 2006a and 2006b.