

Book review

Managing networks of twenty-first century organisations

Perri 6, Nick Goodwin, Edward Peck and Tim Freeman
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Are networks just one more managerial fad of the 1990s and early 2000s? Four authors, Perri 6, Nick Goodwin, Edward Peck and Tim Freeman, with backgrounds ranging from social sciences to health economy and health care management, have written a dense book suggesting a framework to interpret and assess the determinants, nature, forms and scope of inter-organisational relations.

On this topic, Bob Hudson [1] previously observed that “It is now *de rigueur* to talk of the shift from hierarchy to network in public sector governance ... but what is often lacking is an understanding of how to analyse network governance”. In literature, many commentators indeed point out that networks are unlike markets and hierarchies. However, the current authors argue that such forms are not necessarily distinctive and might be overly inclusive, whereas when looking at inter-organisational relations, networks do not necessarily form a distinct category (superior in terms of flexibility, trust and innovation); they might still derive from market relations or hierarchical regulation. For such reasons, the book highlights that in order to understand the relationship between network structure and organisational performance, it is “necessary to examine the *biases* that particular types of relations might have to support certain kinds of performance”. A balanced account of inter-organisational relations is therefore provided and tested throughout the chapters with explanatory purposes.

Coming after the “goldrush on networks”, this book definitely focuses on developing a novel theory of how networks of organisations work, drawing mainly from social sciences (e.g. neo-Durkheimian institutionalism) to explain that four elementary forms of networks – for instance, *isolate*, *hierarchy*, *individualism* and *enclave* – and their hybrids are possible, with contrasting strengths and weaknesses. It also offers valuable insights for the development and management of organisational relationships (e.g. partnership, alliance, joint venture, consortium, coalition, etc.) with the goal being to shift from the initial enthusiasm for networks to a more robust comprehension on issues

such as: what are inter-organisational networks? what varieties are there? how do they originate and how can they be managed? in what context can we speak of organisational trust?

The book is divided into four parts. Part I, from chapter 2 to 5, presents the foundations of an “overarching theory of inter-organisational networks”. In particular, Chapter 2 provides a review of theories of inter-organisational relations. Chapter 3 deals with types of networks and Chapter 4 makes the case for an “integrated theory of networks”, while Chapter 5 concentrates on theories, determinants and dynamics on trust between organisations.

The two chapters of Part II describe what the theory reveals about governing (*from the outside*) and managing (*from the inside*) across networks. Chapter 6 in particular deals with the nature and tools of power and management in networks, while Chapter 7 deals with style and sensibilities for learning and leading networks.

In Part III, the theory is explored through four case studies (defence contracting – Chapter 8, biotechnology – Chapter 9, health care – Chapter 10 and combating crime and disorder – Chapter 11), which are representative of different sectors and perspectives. The choice of such a methodology represents in itself a plus of the book; instead of being prescriptive or trying to provide an ultimate definition for networks, the authors opt for what Yin [2] considers “An empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident”.

Finally, Part IV consists of a conclusion which compares and contrasts the case-studies, also in terms of an original taxonomy of types of networks, to draw out general lessons for scholars, students and practitioners on the merits and limitations of networks, as well as the most effective network management strategies.

In conclusion, the book will be of major interest for a broad audience: from business and management, to public management or public administration, public policy, organisational sociology and to practicing managers. Looking from the perspective of integrated care, one final word of advice might be useful: this book is not for “fast reading”, just take your time to read and elaborate on all implications and new research

questions that it is likely to raise! Even though the same authors are aware that more empirical work is required to demonstrate the general application of their theory, the approach of the book is for sure fascinating and represents a strong case for more

structured thinking, and possibly additional breakthroughs on network development and management.

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References

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2. Yin, RK. *Case study research*. Thousand Oaks: SAGE; 1994.