What follows is a preliminary outline. Please do not quote or cite. Comments and critique are welcome and may be provided to the author at MogrenE@pdx.edu.
Abstract

Traditionally, federal, state, and local governments of the United States established public agencies, bureaus, and departments to carry out a discrete set of purposes and/or provide a specified array of services. Through most of the late 19th and through the 20th centuries, the practice of and training in public administration focused on the scientific and apolitical management and delivery of those services. Government managers and employees carried out agency tasks within a relatively bounded set of rules, practices, and procedures.

Beginning in the latter half of the 20th century, government leaders found themselves facing an array of challenges that transcended the jurisdiction of any single department or bureau. Globalized markets and trans-boundary environmental and social issues coupled with efforts at government reform and downsizing resulted in an ever-increasing need to establishment governance networks to meet complex challenges. Some networks are multi-jurisdictional, involving some mix of federal, state, local, and/or tribal government entities. Others are multi-sector, involving governmental, private, and non-profit actors. The challenge of establishing and leading such networks often falls to the public manager. Consequently, public manager training must add leadership and diplomatic skills needed in dealing with institutions of varying values and belief systems to the technical components of the department to which the manager belongs.

Literature from the fields of psychology, social psychology, and sociology use the term agency to describe the capacity of individuals to cognitively reflect on their social circumstances, imagine new or innovative ways of arranging those circumstances, and act to bring those changes about. In this sense, public managers (and their private and non-profit counterparts) act
as *agents* when called upon to establish, develop, and operate cross-jurisdiction and cross-sector governance networks. These network participants are not only challenged with the practical aspects of network development, but must contend with the differing interests, objectives, values, and belief systems of participating institutions. Each participant to the network arrives with strong affiliation with the organizational goals, objectives, and cultural values of their parent institution.

There is no single theory that adequately explains how designated agents behave in this sort of network environment. This paper offers a theoretical framework for agency within the context of network governance to help meet that need. The framework follows from an historical analysis of governance in the Columbia River Basin and draws from theories of social development, organizational culture, social identity, social conflict, and individual decision-making. The paper also identifies the implications of this theoretical framework for leadership in network environments and for leader training.
A Theoretical Framework for Agency and the Implications for Network Governance Leadership

Introduction and Underlying Propositions:

- A rich body of literature exists on the concept of *agency*. This literature generally views agency as the capacity of individuals to cognitively reflect on their social circumstances, imagine new or innovative ways of arranging those circumstances, and act to bring those changes about (Giddens, 1984; Sztompka, 1991; Frie, 2008; Forbes-Pitt, 2011). This capacity to act is grounded in the values and expectations of the social structure in which prospective agents are embedded (Giddens, 1984; Emirbayer and Mische, 1998). Some argue that this institutional grounding is so powerful as to render the concept of individual agency meaningless and that agency is in fact a collective act (Callinicos, 1988; Barnes, 2000; Ratner, 2000).

- While the concept of collective agency may hold in the context of the internal dynamics of a given institution’s social evolution, it is not persuasive in explaining situations in which representatives from institutions meet to form new networks, specifically networks for purposes of governance. In these cases, individual institutional representatives act agentially to establish some new governance arrangement between – as opposed to within - their parent organizations.¹ To be sure, the values, goals, and objectives of the institutions from which these agents come strongly influence their motivation, issue

¹ See Ahrne, 1990 for discussion of the organizational structuring of society and the role of agency and Forbes-Pitt, 2011, for discussion of the recognition by and interaction between agents from different organizational backgrounds.
framing, and perspectives. But in a setting among peer agents, with no overarching institutional structure to guide them, the individualist concept of agency seems the more relevant. What then influences individual agential decisions as they establish and operate governance networks absent an all-embracing value structure?

- This paper results from an historical analysis of regional governance systems in the United States portion of the Columbia River Basin (Mogren, 2011).

  - Disagreements over the Columbia’s use have existed since the river’s development was first envisioned. The Columbia Basin spans multiple jurisdictions of federal, state, tribal, and local governments and agencies. No single entity (other than federal courts) has ever had a scope of authority sufficient to authoritatively resolve disputes spanning multiple jurisdictions. Instead, jurisdiction is fragmented among federal, state, local, and tribal government agencies with benefits accruing to a variety of public and private entities.

  - The desire for a rational process to manage (if not resolve) differences over river use, planning, development, and operation led to the region’s continuous experiments with various governance systems and structures. The framing of those disagreements evolved over the years as circumstances changed and new institutional actors, often with competing values and worldviews, gained access to the debate through accumulation of financial resources and political power. Although management of the Columbia as a system has been predominately a federal responsibility, the interests and prerogatives of these other jurisdictional
entities and their competing values and worldviews efforts often confounded
governance efforts.

Consequently, the Basin’s history of governance efforts illuminates a seeming
paradox: Whereas many prominent northwest political and institutional leaders
strongly believed some form of interjurisdictional governance system necessary,
those same leaders failed to grant the decision-making authority necessary to
resolve the issues that lead them to think that such a system was needed in the
first place. The historical analysis undertaken sought to understand why.

- That historical analysis inspired a theoretical framework to explain the paradox. The
framework integrates theories of social system development, organizational culture, social
conflict, social identity, and individual decision-making. This framework provides
context for the conduct of agency by institutional actors as they establish, modify,
replicate, or replace interjurisdictional governance systems.

- In turn, this theoretical framework for agency offers practical implications that may
generalize to other scales of governance. Those practical implications include insights
into network governance leadership and leader training.

- Underlying propositions:

  1. In general, organizations form to achieve a relatively limited set of objectives
     and/or carry out a discrete array of functions.
2. Many of the challenges generated or exacerbated by globalization (environmental, political, or economic) transcend the jurisdiction or portfolio of individual organizations.

3. An emerging trend in addressing those challenges is establishment of multi-jurisdictional (government only) and multi-sector (private, government, and/or non-profit) governance networks.

4. The basic building blocks of any governance network are institutions.\(^2\) In the example of the Columbia Basin, these institutions included established government agencies, private corporations and businesses, non-profit organizations, and related trade associations and interest-centered coalitions.

5. Individuals selected to represent the interests of the participating institutions constitute the network. Institutional leaders select their representatives in part due to their identification with and loyalty to institutional beliefs and values and commitment to organizational goals and objectives. These representatives perform the function of agency as they establish the governance network and participate in its operation and development over time.

6. There are two assumptions implicitly made by those agreeing to establish such networks:

\(^2\) Ahrne (1990) argues that organizations are the basic building blocks of society, and concludes that the presence of institutions is somewhat irrelevant. This seems to minimize the importance of values and belief systems in the relationships between organizations. For the purposes of this paper, the term “organization” is used when referring to group structure, purpose, goals and objectives and “institution” when referring to those groups’ underlying values and belief systems.
a. The first is grounded in interest-based conflict theory. Leaders assume that reasoned reconciliation of competing interests and organizational objectives is the only issue/problem at hand.

b. The second assumption is grounded in rational choice theory. Participants proceed on the assumption that once all understand the organizational interests and objectives at hand, they can negotiate an optimum solution that benefits – or at least does not disadvantage – each participating entity.

- Social conflict theory suggests that interest-based conflict is only part of the equation. Equally important are issues of social identity. By this is meant the institutional values and belief structures with which organizational agents identify and carry into negotiations. These values influence the perspectives and decision-making of participating agents (Tajfel and Turner, 2004/1979; Eagly, et al., 2004; Pruitt and Kim, 2004).

- Instilling an understanding of how institutional values are inculcated in organizational members is directly relevant to practitioners of public administration. Frequently, the individuals selected to lead and establish interjurisdictional or inter-sector governance networks are public employees drawn from some agency or department. Leaders not equipped to recognize and resolve value-based conflict issues will have a difficult if not impossible time establishing an effective network governance system.  

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3 The concept of interest-based conflict is also termed as realistic conflict (Coser, 1964; Campbell, 1965; Pruitt and Kim, 2004) or instrumental conflict (Tajfel and Turner, 1979).

4 “Leader” in this sense refers to those charged with leading network formulation; the individuals selected as representatives from their parent organizations; and the assigned leaders of participating organizations.
The remainder of this discussion presents a theoretical framework for agency and applies it to governance network establishment and operation. It then identifies the practical implications of this framework for network leaders and their training.

The Theoretical Framework:

- There is no single body of theory that adequately explains the Columbia Basin’s various governance experiences. Consequently, an integration of several bodies of theory is required to explain the contextual setting within which agency occurred and how forces other than organizational interests and objectives influenced agential decisions and behaviors. This integration results in a framework drawn from the disciplines of psychology, social psychology, and sociology and from theories of social system formulation, organizational culture, social identity, social conflict and individual decision-making.

- Theories of social system formulation:
  
  o Note the long running debate over whether functionalism (social behavior as guided by the constraints of societal structure) or behavioralism (social behavior as the result of individual innovation and action) better explains social system organization and behavior (Giddens, 1984; Ahrne, 1990).

  o A number of theorists attempted to reconcile the conflict between these two theoretical positions. Those frequently cited include Talcott Parsons, Jurgen Habermas, Randall Collins, and others.\(^5\)

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\(^5\) Ahrne (1990) provides an excellent summation of the history of these various theoretical perspectives in his introduction.
Anthony Giddens’ theory of structuration, as developed in a series of publications between 1976 and 1984, seems most frequently credited in recent literature. Consequently, this framework uses structuration as complemented by Piotr Sztompka’s theory of social becoming (1991).

Salient components of structuration theory:

- The duality of agency and structure: humans are knowledgeable agents embedded within social systems with the capacity to simultaneously subordinate themselves to social order and engage in autonomous, creative activity.

- Routinization simplifies the conduct of daily life; issues that are more salient are acted on more affirmatively. Routinization stabilizes the status quo.

- The status quo consists of power arrangements between the institutional components that constitute the system. These arrangements will stay in place until faced with circumstances that call the existing relationships into question. Giddens (1984) terms these catalytic circumstances as critical situations.

- Both humans and social systems are immersed in the flow of historical time. The continuous interaction between system structure and individual action, coupled with human experience and memory, means that new social systems inspired by critical situations are not created from scratch, but modified from those that came before.
- Human agents construct and maintain social systems.
- At the same time, the social systems and structures thus created shape human behavior.

- Implication for network governance: Organizational agents will establish governance systems based on their experience and on the institutional environment and history from which they come.

- Theories of social system formulation thus explain “what” happens through the role of agents in shaping social systems, the influences of system and structure on individuals, and the historical connectivity between social forms. However, they do not explain “why” some individuals exhibit an intensity of commitment and others do not, why some people come to act as agents and others do not, or “how” individuals process the values of their social group when rendering individual decisions.

- Organizational culture:
  - Social systems are recognizable through organizational patterns and structures of rules, norms, customs, and belief systems (Douglas, 1982; Giddens, 1984; Sztompka, 1991).
  - Belief systems (also referred to as “worldviews,” “mindsets,” or “conceptual frameworks”) present normative influences of structure that guide activities.
There is a large and mature body of literature on organizational culture. This framework uses Edgar Schein (2004) and Margaret Archer (1996). Salient components:

- Culture is a “complex learning process” that occurs within social units holding a shared history (Schein, 2004).

- Culture either originates in the values of the organization’s founder or evolves through spontaneous interactions within unstructured group that gradually leads to patterns of behavior (Schein, 2004). It is thus socially created through the agency of institutional members (Archer, 1996) similar to the way agency shapes social system and structure, per Giddens (1984).

- Culture is “a pattern of shared basic assumptions” that are learned by the group, considered valid, and taught to new members as the “correct way to perceive, think, and feel” in given circumstances (Schein, 2004).

- Power of culture comes from its psychological effect on group members (Schein, 2004).

The implication for networked forms of governance is that the agents selected to represent their parent organizations will come from institutional cultures that strongly influence the manner in which those agents will “perceive, think, and feel” about the purpose, structure, and operation of the governance network being contemplated.
Culture thus adds to the explanation of “why” institutional representatives charged with the task of establishing governance networks behave as they do. However, it does not fully explain the degree of intensity of commitment held by between different organizational members.

- Social identity theory:

  - Like culture, there is a mature body of empirical and theoretical literature on social identity. This framework draws on the work of numerous researchers and theorists. Salient components:

    - Individuals exist within social systems and define their sense of self in relation to the members of the social situation in which they reside. Thus, identity is heavily influence by others (Cooley, 2004/1902; Mead, 2004/1934).

    - An individual’s drive for self-enhancement and desire to associate with groups of like-minded people to a large measure determines which social organizations they choose to join. People will self-categorize into organizations that share the values and belief systems with which they identify or wish to emulate (Tajfel and Turner, 2004/1979; Ashforth and Mael, 1989; Hogg and Terry, 2001).

    - Thus, organizations tend to evolve into collections of like-valued people. Individual and organizational identity is inextricably linked, the degree varying with the level of alignment between individual self-image and organizational values and behaviors. As was found in studies of
organizational culture, strong psychological bonds may form between individuals and their organizational values resulting in members adopting organizational attributes as their own (Dutton, et al., 1994). However, not all members will share the same degree of psychological bonding.

- Identity becomes a powerful lens through which participants make interpretations of other group’s actions and motives and judge acceptable alternatives to intergroup relations (Tajfel and Turner, 2004/1979).

- Social identity is as much a cause of intergroup conflict as competing interests (Tajfel and Turner, 2004/1979; Ashmore, et al., 2001; Eagly, et al., 2004; Pruitt and Kim, 2004).

- Close affiliation with institutional values motivates and shapes the reasoning of organizational members through a biased set of strategies for processing information (Kunda, 1990; Mele, 2003).

- Identity is malleable. Leaders can affect organizational identity by explaining events in the environment within the context of the identity lens, thus facilitating sense making by organizational members (Gioia and Thomas, 1996).

- In situations of network governance, the agents selected to represent their organizations can be expected to identify with the belief system(s) of their parent organization and in the inherent rightness of organizational interests, goals, and values. Nevertheless, careful leadership can constructively shape participant interpretation as to how network goals relate to parent institution values.
Theories of social identity thus explain the intensity of belief in organizational positions and objectives. Not explained is “how” individuals translate the values with which they identify into decisions and actions.

- Individual decision-making:
  
  - The “how” of decision-making depends on physiology (the biology of the brain), the mental capacity of the individual, and the process of individual reasoning. It is the third that is of interest here.
  
  - Traditional theories of decision-making are based on economic models of rational choice in which a reasoned analysis of alternative actions results in individual choices that maximize the utility of outcomes.
  
  - In a series of books, articles, and empirical research projects, Lee Roy Beach and his associates analyzed this approach and concluded it not reflective of how most people actually make decisions and therefore incomplete. (Mitchell, Rediker, and Beach, 1986; Beach and Mitchell, 1987 and 1998; Beach, 1990, 1996, and 1998; Beach and Connolly, 2005). They offer “image theory” in its place, arguing that most decisions are inherently values-based. Salient components:
    
    - Individuals make decisions. So called “group decisions” are negotiated settlements between participating individuals.
    
    - Decision-makers use three “schematic knowledge structures” or images to organize and frame their thinking. These structures are “values”
(principles or self-evident truths held by the decision maker), “goals” (future states), and “strategies” (plans to achieve the goals).

- Decision-makers compare any decision against these three. They categorically dismiss any alternatives that do not comport to these images from further consideration regardless of potential objective utility.

- Most of the time only one alternative survives this screening for “compatibility” with the decision-makers values, goals, and strategies.

- In cases where multiple alternatives survive, alternatives are analyzed for “profitability” akin to the traditional rational choice model.

  - The implication for network governance systems is that participating agents will use similar values-based decision processes in considering the procedural and substantive issues brought for consideration to the governance body.

Section summary:

  - Figure 1 illustrates the theoretical framework for agency discussed above:

Figure 1
A Theoretical Framework for Agency
The function of agency as conducted by institutional representatives occurs within the macro-micro framework of system *structuration* (Giddens, 1984).

The psychological bond with the parent organization’s culture and goals and the sense of identity with institutional values influences the agent’s individual decision-making regarding network-related issues. (Schein, 2004; Tajfel and Turner 2004/1979; Albert and Whetten, 1985; Ashforth and Mael, 1989).

Agents will seek governance arrangements within the network that advance the interests and objectives of their parent institution.

Conflict between the institutional members of the emerging governance network is a function of competing interests and objectives and competing values of varying social identities (Tajfel and Turner, 2004/1979; Ashmore et al., 2001; Eagly, et al., 2004; Pruitt and Kim, 2004).

Each agent will evaluate the choices facing the group for compatibility with their individual values and belief systems. Participants will summarily reject choices that threaten those values unless negotiated to a point of acceptance (Beach and Mitchell, 1987; Beach 1990, 1996, and 1998).

Those values and belief systems will affect not just the specific issue at hand, but also interpretations of the other participants’ goals and motives (Schein, 2004; Tajfel and Turner, 2004/1979; Albert and Whetten, 1985).
The Implications for Network Leadership and Leader Training:

- The historical analysis of Columbia Basin governance suggests the following model of governance formulation:

Figure 2
Evolution of Governance Networks

- Status quo arrangements between the organizational components of extant social systems will stay in place until faced with a critical situation that calls these existing arrangements into question. Agents within the system will react to critical situations that have occurred or that they anticipate are about to occur (Giddens, 1984).

- This critical situation may or may not lead to institutional conflict as leaders seek a remedy. It may open existing lines of conflict over competing organizational interests. If so, issues of social identity and organizational culture (differences in institutional values
and belief systems) can exacerbate the conflict. Alternatively, institutional leaders may be able to resolve the situation without conflict.

- Regardless, allegiance to parent organization goals and interests and identity with institutional values and beliefs strongly influence the reasoning of institutional representatives chosen to act as agents in establishing new governance arrangements. Individuals will process their decision-making on matters of network procedures or substantive issues within this value set. The value set will frame interpretations of option legitimacy, fellow participant motives, and acceptability of network procedures and decisions. The result will be one or more new network arrangements acceptable to relevant agential actors.

- The greater the scale of the network (local – regional – national – global), the greater will be the variety of cultural and belief systems that must be reconciled if the network is to succeed.

- Implications for leadership and leader training:
  1. The leaders (as defined in the introductory section) engaged in establishment of government networks come from an organizational context imbued with their parent organization’s culture and closely identify with institutional interests and goals. Those values will heavily influence their decision-making. An initial step in their training should be instilling an awareness of those values-based biases.
  2. Other institutional representatives to the network will come with similar sets of values and beliefs and be equally protective of organizational goals and interests. Their selection as agents by their parent organizations will be based in part
precisely because of their allegiance to organizational interests and values. Consequently, training regimes should also include sensitivity to those differing belief systems and the tools for how to identify them.

3. Agents from participating organizations have an implicit or explicit task to participate in network development to either further their parent organization’s goals and interests or, at a minimum, prevent negative impacts on its objectives and prerogatives. Equally important is for the agent is to prevent any threat to underlying institutional values as may be caused by the network’s mission, goals, or procedures. Commitment to the success of the network will be coincidental to this primary task. “Success” is relevant only to the degree the network furthers institutional goals.

4. Consequently, the success of the network depends on network leaders being able to instill in network members a common sense of identity and purpose. Leaders need to instill in participants an affiliation with and a commitment to network objectives. In other words, the membership needs to accept participation in the network as valuable in its own right and achievement of network objectives of value to parent organization. If achieved, this will manifest in a willingness of members to translate / interpret network activities to parent organization in way that reduces anxiety and garners sustainable support. Conversely, if it is not, network participants may portray network activities back to their parent institution as ineffectual if not outright threatening. Leader training should thus include the
skills and tools to generate the support of fellow agents for network goals and operational processes.

5. Once the network is established, network leaders must build and sustain a sense of network culture and identity. If successful, leaders cannot take the evolving identity with network values for granted as it is inherently fragile. Participating members will constantly be pulled between their affiliation for the network, their parent organization, and the interests of organizational constituents. Potential threats to long term network viability include:

- The addition of new member organizations whose agents not yet socialized / acculturated to the network’s goals and values.

- Changes to the representation from participating institutions.

- Change in conditions within member institutions, which cause the parent organization to reevaluate or reframe the value of continued participation.

- Changes to network leadership.

- The lack of network staff capacity to structure network identity and culture – inculcate sense of routine and records.

- A new “critical situation” that calls to question the basis upon which the existing network was established.

Leader training should include sensitivity for all of these threats to stability and the tools to respond to them.
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