The Network Manager and the Governance of Business Networks: Comparison with Managerial Figures in Management Literature

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ABSTRACT

Collaborating with other structures offers businesses – particularly smaller ones – excellent support to enable them to successfully face up to the challenges posed by globalised markets: by joining forces, creating systems and weaving networks of collaborative relationships with other businesses, SMEs can achieve the critical mass necessary to compete on global markets, because they can benefit from the “systemic” economies of scale that are typical of medium and large business, without losing any of the specificity that only a small manufacturing organisation can offer. However, the coordination and governance of a network is anything but simple, in view of the different types of distances (cognitive, psychological, cultural, geographical, etc.) that separate the businesses in the network. This explains the utility of a managerial figure outside the network (the Network Manager) with the ability to direct, coordinate and run the business network. This article focuses on the figure of the Network Manager, trying to define it by comparison with a few interesting managerial figures identified in the spectrum of management literature.

KEYWORDS

Business Networks, Governance, Network Manager, SME

INTRODUCTION

The globalisation of the markets has redrawn the boundaries within which economic operators move; while new forms of agreement have emerged on the supplies and sales front, there has also been a strong increase in competitive pressure.

If we look closely, we can see that globalisation is an intrinsically ambivalent phenomenon, in the sense that it has both strong positive potential and negative connotations. This takes into account the fact that not all businesses are capable of grasping the opportunities offered by the global market, transforming them into factors of competitive advantage: as a result, fractures emerge in the business world, which is increasingly divided between businesses capable of competing on the global market and those which remain on the side lines. Basically, globalisation has a lever effect, multiplying the opportunities for development and enrichment for those in a favourable position, but reducing the chances of recovery for those without specific resources and the ability to relate to others (Polese, 2004).

Among the economic operators that find it difficult to grasp the opportunities offered by globalisation, often even considering it a threat to their very survival, are the smaller businesses, which often do not possess the resources necessary to compete on enlarged markets because of their small size (Tresca, 2013).

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One potential solution that can help to overcome the size problem might be recourse to collaboration with other businesses, which represents a means of enabling smaller businesses to enter an external context, halfway between the mercantile concept of the export of goods (an increasingly simple and widespread approach adopted to enter foreign markets) and the more complex manufacturing concept, i.e. foreign direct investment (FDI), which can only be undertaken with huge resources.

By joining forces, creating systems and weaving networks of collaborative relationships with other entities, SMEs can achieve the critical mass that enables them to benefit from the “systemic” economies of scale that are typical of medium and large enterprises, without losing any of the individuality and specificity that only a small manufacturing organisation is able to offer.

A collaborative relationship between smaller businesses based on collaboration still appears difficult and hindered by various types of barriers and distances, which could render the management capability of individual businesses in the network deficient on their own. This is particularly obvious if the businesses collaborating with each other are geographically and culturally distant from each other, and therefore operate in different framework environments.

In order to reduce the cognitive, psychological and geographical distance between the various players collaborating with each other, the presence of managerial figure outside the network with the ability to coordinate and control the functioning of the network might prove useful.

In this respect, a significant grey area emerges from the many scientific works that focus on the concept of business networks regarding analysis of the managerial prerogatives that we should expect from a professional figure responsible for performing a role of strategic coordination and effective governance of a network of businesses (Meneguzzo, Cepiku, 2008; Butera, Alberti, 2012).

Management studies have on the whole tended to focus on analysis of the structures and management styles of a centralised figure, but they are deficient when it comes to investigating methods of governance that address contexts where several businesses are present. The difficulties entailed in undertaking similar studies are balanced by the significant opportunities that the results of this research could offer operators: to guide and support “almost businesses” and networks of enterprises, to help them to function as businesses capable of competing internationally and of innovating. (Butera, Alberti, 2012)

The main research goal is to offer a contribution to the systematization of the role played by the management officer in charge of the coordination and governance of a network (Network Manager) in terms of skills, functions, tasks, behaviors.

For the aforesaid goal pursuit, a survey of the management literature was carried out in order to track down potentially similar figures to the Network Manager; then a comparison was made between the figures identified and the “subject type” governance horder of a network of companies. The analysis of the connection points which emerged from the comparison led to the identification of some determinants. The consideration of the latter, properly contextualized to the specific network to be governed, could help to better delineate the role of a Network Manager, in relation to functions/tasks/skills.

A COMPARISON BETWEEN THE NETWORK MANAGER AND MANAGERIAL FIGURES IN LITERATURE.

The Network Manager has characteristics that allow confrontation with figures engaged in business governance. We refer, in particular, to figures such as: Temporary manager (Quarta, 2010; D’Egidio et al., 1997), Facility manager (Antoldi, Cerrato, Depperu, 2010; Cannatelli & Antoldi, 2010), Diversity manager (Taylor & Stacy, 1991; David & Robin, 1996), Cultural business mediator (Katan, 2004) and Meta-manager (Butera, & Alberti, 2012) (see Figure 1).

In this article, we will try to briefly put the profile of these managerial figures into context, in order to identify potential elements of similarity/dissimilarity with a Network Manager (see Figure 2).