

FROM ORGANIZATIONAL LEADERSHIP TO LEAD-ORGANIZATIONS— THE FUTURE OF LEADERSHIP IN INTERORGANIZATIONAL NETWORKS

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The competitive advantage of social forms of organization as compared to market-based exchange systems has gained much research and practice attention (Powell, 2003). As more and more production and service organizations depend on networks comprising of multiple organizations to carry out their goals, the notion of leadership is climbing up the levels of analysis ladder and gaining new meaning. In other words, in the future, when we talk about leaders we may not be talking about people but about organizations. The network literature has already proposed the concept of a lead-organization which is when an organization with more power, resources, or legitimacy within the network leads the network (Dhanaraj & Parkhe, 2006). Provided in the current paper are examples of what such leadership may have to deal with, research evidence regarding its effectiveness, and, based on these findings, what leadership, at least in the context of networks, is likely to become.

An interorganizational network, also referred to as a whole network, is a group of three or more organizations connected in ways that facilitate achievement of a common goal (Provan & Milward, 1995). Such networks are usually formally formed and goal-directed rather than occurring serendipitously (Kilduff & Tsai, 2003). Research on such networks has focused on the structures and processes of the entire network rather than on the organizations that compose the network (e.g., Kadushin, 2012). Such a network is a platform for the sharing of collective knowledge and resources of the multiple organizations comprising it, resulting in innovation and creative solutions (Considine, Lewis, & Alexander, 2009).

The complexity of whole networks, from a leadership perspective, is that the network participants are autonomous organizations with their own professional and managerial agendas that are not directly subject to the lead-organization (Osborne, 2010). In other words, these organizations typically have limited formal accountability

and commitment to the lead-organization or even to the network's goals. As a result, the tensions typically discussed in the more classical leadership literature are either promoted to higher levels of analysis or exchanged with new ones. For example, the classical leadership challenge of balancing personal and organizational goals (House & Mitchell, 1975) is raised to a challenge of the lead-organization balancing the needs of the network organizations with the needs of the whole network (Popp, Milward, MacKean, Casebeer, & Lindstrom, 2014). In addition, the question of which network structure (i.e., more or less centralized, dense, fragmented, etc.) is most effective, is one that the lead-organization must consider. Finally, the multiple organizational and national cultures characterizing the organizations within the network comprise an additional leadership challenge.

In a study conducted on 68 whole networks in Israel in which the municipality was the lead-organization, which leadership behaviors might be related to more effective service provision of such networks was examined (Uster, Vashdi, & Beerli, 2018). Results showed that the more the lead-organizations initiated interactions among network organizations and engaged network organizations in the decision-making processes, sharing information, and knowledge with them, the better the network outcomes were (Uster et al., 2018). It is likely that these behaviors help the network organizations to form deeper and more trust-based relationships with one another and with the lead-organization, as well as focusing them around the common goal. In an additional study conducted on 35 whole networks, it was found that lead-organizations employing monitoring-controlling behaviors toward a network organization hampered the network's outcomes (Uster, Beerli, & Vashdi, 2018). Together, these studies emphasize the need for lead-organizations to create trust and mutual relationships between all network organizations by means of collaboration and joint decision-making processes and without exerting power or hierarchy-related behaviors. Similar to understandings regarding the difference between leading individuals and leading teams, it seems leading networks is like leading a team of autonomous organizations in which the role of the leader is more to schedule the work to be done, clarify the whole network's goals, and then ensure joint deci-

sion-making and performance processes take place in which hierarchy has no relevance.

In addition, due to the impact network structures have on network outcomes (Huang & Provan, 2007), lead-organizations will need to consider the best structure for achieving their goals. For example, one characteristic of structure that leaders need to take into consideration is the extent of network centralization. A highly centralized network is one in which all actors connect to a central server, which is the acting agent for all communications (Kadushin, 2012). Thus, centralized actors are key conduits for the exchange of information and the coordination of collective action (Bryk, Gomez, & Grunow, 2011). Centralization has been found to be advantageous for network performance in general and to facilitate system efficiency and service integration in particular (Huang & Provan, 2007). In the study mentioned above, conducted on 68 whole networks, centralizations explain part of the relationship between the extent to which the lead-organizations exerted leadership behaviors and network outcomes. Yet, lead-organizations may wish to directly impact the extent to which the network is centralized around them. Leadership is likely to entail much more direct information sharing and communication with all network members and questions of how this should be done while at the same time encouraging communication between network members and avoiding control behaviors is likely to be a main challenge.

Moreover, based on the cited research exploring network leadership and network outcomes, one notes that when shaping the network structure, leaders must consider cultural factors. Yet, contextual factors such as cultural diversity may have bilateral implications. One possibility is that cultural diversity at the organizational level may enhance innovation and a wider pool of alternatives and perspectives when jointly solving problems. However, another possibility is that such diversity may lead to misunderstandings and reluctance toward the lead-organization. Leading organizations committed to different cultural values, is likely to require capabilities that are different from those required to lead culturally diverse employees. Any attempt to impose norms and perceptions on network organizations may lead to alienation and reluctance to achieving the network's goals.

In sum, leadership of interorganizational networks is first not about organizational leadership but about an organization that leads. Second, as the leadership of such an organization is of an autonomous organization, the challenges facing leaders are different from challenges discussed in the leadership literature until today (an exception, e.g., is Popp et al., 2014). Third, theories of network leadership are likely to draw from team leadership theories as the collaboration, diverse specialties and cultures, and interdependence characteristics of effective teams is likely to be a beginning for understanding effective network leadership. Finally, leadership of networks will need to focus attention to network structure as control of such a complex system is very much dependent on the manner in which interorganizational communication flows. As mentioned above, when discussing leaders in the future we may find ourselves not talking about a person but about an organization. Irrelevant will be the person standing at the head of the organization, leadership will be about the ability of an organization to achieve its goals through collaboration with other organizations.

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