Governance is an emerging issue in the health sector, and for good reason. Boards, senior managers, regional health authorities, governments, and non-profit service providers are realizing that better governance results in better-functioning organizations and leads to more effective care delivery.

Work at the Canadian Health Services Research Foundation has made it clear that governance is an important determinant of network success. Governance is the process whereby members exercise direction and initiative to ensure the network’s mandate is achieved. Governance requires members to communicate, share knowledge, and make decisions. But what does “good governance” mean for networks, and how can networks develop their own governance structures to achieve and maintain high performance?

What is “governance?”

The Governance Network defines governance as “the process through which organizations and institutions articulate interests, mediate differences, formulate and implement policy, exercise rights and obligations, manage resources, and perform functions.” As such, governance is ultimately about “people, structures, institutions, policies, practices, and, above all, relationships.” The Institute On Governance offers a different perspective, seeing governance as “the process whereby power is exercised, decisions are made, citizens and stakeholders are given voice, and account is rendered on important issues.”

Ultimately governance is all about how organizations, societies, or networks make decisions on important questions and steer towards success.

Networks: A governance challenge

Networks and conventional organizations are inherently different and should be governed accordingly. Networks are organic, adaptive, non-hierarchical, and generally have no static point of authority or decision-making process. In contrast, most conventional organizations have defined hierarchies, positions based on power, more rigid structures, and clear decision-making authorities. Similarly, however, networks and organizations both have defined goals and objectives to which they should be guided. Therefore, although governance of networks appears to work in a less-structured way than conventional organizations, with obvious differences in incentives for taking on the governance role, there are many aspects of organizational and corporate governance that can be applied to network governance. Just as conventional organizations have governing boards, networks can encourage members (or teams of members) to take on leadership positions to address particular issues that require decisions and direction as they arise.

Network governance through stewardship

While networks may not use hierarchical governance models with formal roles like those of corporations, research into networks underlines the important role leadership plays in success. Good network governance does not
necessarily mean having top-down direction from boards, CEOs, or their equivalents; instead, it seems to be more effective to have co-ordinators who act as facilitators, working to engage and serve members. Similarly, the network can, at times, have a core group of engaged members who serve to champion network activities. Co-ordinators and core members can also play a role in monitoring network progress towards the strategic vision of the network, thus nurturing its development. This governing oversight role of the co-ordinator should not be seen as “control” but rather as “guidance.”

Those who would presume to manage a network must first understand that it is seldom they, the managers, who will develop the solution to the problem that the network was formed to address. More often it is the stakeholders themselves who find the answers.

Therefore, the co-ordinator should assume the role of network steward, holding its purpose in trust and working on behalf of members to help them achieve the collective goal.

**Five Principles of Governance**
The Institute On Governance has identified five principles that articulate the central characteristics of good governance: legitimacy and voice, accountability, direction, performance, and fairness. Together, they provide a framework that may help us to explore the question “what are the characteristics of sound governance for networks?”

**Legitimacy and voice from the inside out**
Legitimacy in networks tends to be earned when the network contributes to and maintains a relevant purpose. Network participants have to earn and gain legitimacy by supporting other members and helping the network work towards its goals. This often means “playing well” by sharing knowledge and helping others. Ultimately, it is the high-standing credibility of the network and its members within the external community or domain that will have the greatest impact on network voice and meeting network outreach goals.

Internally, a network should help promote equal participation and voice among members by establishing clear and transparent network conduct and rules of engagement. This can range from unofficial dos and don’ts to a formal set of network guidelines or terms of reference, and would delineate the expectations that shape network interactions. More generally, networks need to think about orientation processes to enable new members to navigate the informal relationships on which the network thrives.

**Accountability: Networks are accountable to members and stakeholders**
In the case of networks, top-down accountability is replaced by a framework of mutual obligation and taking responsibility. This form of accountability seems to work well as long as the culture of reciprocity is robust. Where that culture breaks down, accountability and the network itself begin to suffer.

A dilemma for networks may arise when they have to maintain an interface with a conventional organization, or when they exist within one. Conventional organizations (and their auditors) typically approach accountability in a structured way: roles and responsibilities, as well as performance expectations, are clearly defined. Networks are more tolerant of loose accountability arrangements, and there is evidence tight accountability arrangements harm networks and their ability to adapt organically to meet members’ needs. Good governance of networks means network leadership and membership can strike a balance between the structured accountability requirements and flexible methods of demonstrating accountability to all stakeholders.

Accountability is an important ingredient in any governance recipe; without it, networks cannot show they are run responsibly and in a way that best serves those both inside and outside the network. In improving their governance, networks may find it helpful to think about and decide who they are...
accountable to, for what, and under what processes. Network members should consider themselves to be accountable not only to funders and hosting organizations but also to other members. Network governance should involve the development and implementation of necessary mechanisms to encourage network members to consider the needs of fellow members.

**Direction: A clear and shared vision keeps networks together**

Sound governance is characterized by a sense of direction. This is true of conventional organizations as well as networks. In the former, direction often emerges from the top down; by contrast, in networks direction emerges more organically, through collaboration among participants.

Focusing on meeting members’ needs, however, should not distract co-ordinators from other parts of the big picture. Good governance involves having a longer-term vision in place and taking action to realize it, knowing which of the lower-hanging fruit to pick up along the way. Just as important as determining and acknowledging what is within the purview of the network is defining what is NOT.

Networks typically form for a specific purpose or vision but may drift away from these or start pursuing different objectives as new issues arise. When this occurs, members may need to become more engaged in evaluating and redefining the network’s goals. In these situations, effective governance often requires co-ordinators to be proactive, either by guiding the network back to the original path or moving the goal posts to allow the network to change direction. A time may come when the network no longer has a useful purpose. Well-governed networks should evaluate the relevance of their direction and determine the time when they should cease to exist or activities should be wound down. In both cases, it is crucial that someone pays attention to the vision and knows when the network is moving aimlessly. Network leaders, be they co-ordinators or temporary “champions,” can play a vital role in driving consistent network direction and performance, nurturing the evolution of the network, and gathering relevant input from network stakeholders.

**Performance: Looking at impact within and beyond the network**

Networks approach the question of performance measurement in different ways. Many networks seem to have the primary purpose of delivering value internally to participants rather than to external clients or stakeholders. When members lose sense of a reason to play, it will not be long until they move to the periphery of the network or drop out entirely. Networks need to deliver value to participants on an ongoing basis if they are to hold together.

In addition to serving members, some networks assess their ability to achieve meaningful and measurable change externally, particularly where the network is instigated or supported by external agencies or funding groups. Organizations will be looking for proof this network, or the involvement of their staff within the network, is of value to their own mission. Where networks fail to deliver value beyond their own borders, the survival of the network is put at risk.

The right question, therefore, is not whether network results should be measured — there seems to be general agreement they should. Rather, it is about the right way to measure network performance. There seem to be two approaches to assessing networks: one that looks inside for results and another that looks outside the network. From the inside, the ability of networks to serve users and meet individual needs can be examined. Some networks keep a check on this by engaging their membership in direction-setting or getting feedback from participants in more formal ways, such as

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surveys. The outside view looks at how members use knowledge generated through the network, and how that leads to changes out in the “real world.” In some cases, networks have done this successfully by asking members to share stories or experiences about how they have used the network to improve their professional capacity, or how the learnings from the network have been applied to further develop specific ideas in their domain of expertise.

Governance in a network setting requires continual evaluation of the degree to which the network performance is satisfying the needs of both internal and external stakeholders and application of these assessments to better inform the network’s direction, activities, scope, and impact.

**Fairness**

The democratic nature of networks fosters an attitude of fairness and images of a level playing field. Members tend to be on par with each other with no privileged positions — or at least no formal ones. Members are encouraged to establish horizontal relationships and avoid hierarchical structures throughout the life of a network and regardless of their external titles or affiliations. Fairness also implies transparency. Networks that lack transparency will find it difficult to maintain legitimacy in the eyes of members. When users feel they are kept in the dark about important issues and decisions, this will harm the trust that oils network relationships. Networks require clear and open protocols around communication and decision-making and should make sure these are accessible and understandable to the wider membership. Even with a dedication to equality and fairness across the membership, some members may at times take on a greater leadership role. Networks must remain cognizant of the need to transparently and fairly rotate through “core members” or “leaders” to maintain flexibility and a non-hierarchical nature. Reviewing network governance structures and processes every few years is also essential to ensuring stakeholder and member needs are continually met and there is consensus built around network operations.

The values that tend to characterize successful networks — collaboration, sharing, and reciprocity — are closely linked to fairness. Network values can be instilled right into the terms of reference of a network, with network champions and co-ordinators playing a valuable role in their articulation. Successful networks appear to build consensus around a set of values that provides a platform for equal, fair, and effective interaction.

**So what does all this mean?**

From a governance perspective, every network is unique: it has a specific purpose, unique membership base, defining set of values, and different accountability relationships. Governance should be customized and built around a network’s particular situation: its history, culture, mission, and people. By using the five principles set out above and thinking about how they apply to specific situations, networks can find a governance approach that works best for them. The lack of a universal framework on governance may actually be a virtue when it comes to establishing effective governance models for networks. It allows them the flexibility to develop organically, create effective lateral relationships, and govern from the inside out by applying principles that mirror good network etiquette.

**Resources**


ii Canadian Health Services Research Foundation. *Network Notes II: Knowledge Networks*. www.chsrf.ca/networks

