

Relationship Enablers of Managerial Social Networks

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Abstract

This paper focuses the development of relationships and networks with social purposes and discusses the main inducing factors contributing to networks and relationships' development between public authorities and social institutions. The paper presents a case study research about 'Matosinhos Social Network', a Portuguese legal artefact managed as a social administration program that encourages public sector organizations, non-profit organizations and other entities to join forces to prevent, reduce or eradicate poverty, social exclusion and promote local social development, through collaborative relationships. The IMP Group literature, including the ARA model, were mobilized to analyse and understand the nature, the substance and the dynamics of social networks focusing on the artefact 'Matosinhos Social Network', which can be seen as an illustrative and rich case study. The analysis shows how social actors can share resources and develop activities and services to perform their social intervention policies. Moreover, the research highlights the substance of the relationships developed in this social artefact network as complex in nature, stable, long lasting and supported by relevant interdependencies between the actors involved, their knowledge, resources and activities similarly to industrial and business emergent networks identified by IMP literature. The paper put forward the following propositions: (1) Social exchange, collective action and cooperation facilitates trust relationships, mutual commitment between social actors and contributes to the mobilization of a managed artefact network; (2) Competent and skilled individuals through decentralized and empowered organizations in managed networks, improve decision making and the value of the relationships perceived by the actors, assuming a dominant role in managing in the network.

Key words: third sector, social network, networking, relationships, IMP Group

Introduction

Networks in public and social sectors have been recognized as ways to promote territorial cohesion, to mobilize capacity and resource management and to improve the quality of services provided to the population, by taking advantage of proximity policies, including the opportunity of deciding about local problems, through more appropriate and effective social responses. In the European context, Social Action is the area of social policies with greater local manifestation placed under the responsibility of the municipalities (Guerra, 2008). Therefore local services have been taking more responsibility, have been gaining more autonomy, through collaborative action or network governance (Provan, & Kenis 2008). Those networks show resources, which may change the nature of the relationship among public and private entities.

By addressing the business network literature (Hakansson, 1982; Axelsson and Easton, 1992; Hakansson and Snehota 1995; Hakansson and Ford, 2002; Hakansson and Snehota 2006; Hakansson et al., 2009; Ford et al. 2011; Hakansson and Ford, 2016) this paper shows that industrial networks characteristics, dynamics and the nature of business relationships are similar to the relationships between actors (NGOs, public and private organisations, etc.) that pursue social goals and develop a network dynamic in the third sector. This research deals with networks as artefacts established by public authorities, and argues that being an artefact, it is possible to manage the network and to manage in the network, in line with Ritter et al. (2004).

An empirical study was conducted about the “Matosinhos Social Network”, a mandated network by Portuguese Public authority. It belongs to a broad public social program developed in Portugal, called “Social Networking”, which mandates or encourages municipalities to involve “public sector, charities and other entities to combine their efforts to prevent, mitigate or eradicate poverty and exclusion and promote local social development by working in partnership” (Instituto Segurança Social, 2014, p.1). This program created several social networking artefacts, each of them deals with a participatory strategy of planning, where all stakeholders (public and private) of a certain territory that have a shared vision of social problems, define objectives, priorities, strategies, actions together, and use the available resource in a “more rational” way. These Social Networks constitute *a priori* privileged forum for networking and mutual assistance where public bodies, non-profit or business firms and other associations articulate their intervention in the field of social action. However, being one of the authors a professional of one of the institutions involved in these networks, the general perception is that these networks may have different dynamics and results.

The goal of the research is to analyse the most important enabling factors that promote the construction of strong relationships between public institutions and social institutions in networking, having in mind the literature mentioned before as well as other literature as social capital (Bourdieu 1985; Coleman 1988; Burt 1992; Portes 1993; Putnam 1995) that focuses on network relations primarily as a resource and as a result. It is considered that this conceptual framework will help to understand how to establish long-term relationships and how the interaction between the different actors is handled, considering the relationships as a *sine qua non* condition for greater participation, concerted efforts among social stakeholders and increasing the effectiveness of the Social Network programs.

Literature review

One of the central assumptions of the interaction and industrial networks approach developed by Industrial Marketing Purchasing Group is that the market is not static but dynamic and it is through this thought that several authors analyse the relationships between customers and suppliers in the industrial market (Hakasson, 1982; Axelsson and Easton, 1992; Hakasson and Snehota, 1995; Hakasson and Ford, 2002) and later in services (Morgan and Tax, 2004; Hakasson and Snehota, 2006; Ford 2011). This approach highlights the relational and inter-organizational nature and provides a framework for analysing how to establish and maintain long-term relationships (Baraldi et al., 2014), involving a complex pattern of interaction between and within each company.

Interaction and networks approach

The interaction model proposed by Hakasson (1982) is based on four basic elements: the process of interaction, the participants in the process, the environment where the interaction takes place and the atmosphere. The interaction process is divided into episodes and relationships. Episodes involve short-term exchange processes (products and services, information, finance and social exchange) between the parties. The relationships are built across multiple social exchanges over time, giving them structural characteristics. Hakasson and Snehota (1995) systematize these characteristics as continuous, complex, symmetrical and informal. The longer the episodes of social exchange between the parties, the greater the likelihood that interactions become institutionalized in sets of papers, in which each of the parties (customers and suppliers) waits adaptation and a behaviour from the other part (Hakasson, 1982). Hakasson and Snehota (1995) defend that a relationship is "the result of a process of interaction where connections were developed between two parties that produce mutual orientation and commitment" (Hakasson and Snehota, 1995, p. 26). Both short-term interactions and long-term ones are influenced by the characteristics of organizations and individuals, as well as by their past experiences, the environment in which they occur (vertical / horizontal market structure and social influences) and by the atmosphere, described as the relationship of the company with the other parties (of cooperation, conflict, interdependence or proximity) (Hakasson, 1982; Hakasson and Ford, 2002). Therefore, a relationship is established in a wide interdependent environment where the explanation of each relationship is also sought in external factors and not just in the interactions and

intrinsic processes developed between the parts (Hakasson and Snehota, 1995; Ritter et al., 2004; Axelsson and Easton, 1992; Hakasson and Snehota, 2006).

According to the seminal group of the IMP Group relationships and network management is about managing interactions with others, not about managing others. This is a process that involves influencing others and letting others have influence over you, namely in the firms' internal activities (Ford and Saren, 1996).

Actors resources and activities model

The model developed by Hakansson and Johanson (1992) provides a basis for studying interactions according to three elements: actors, activities and resources. The interdependency of the network, one of the most important features, subsists in relation to these three elements (Hakasson and Snehota, 2006). This literature can be interesting to understand how the Municipal Social Networks work based on the three elements of the Actors Resources and Activities model. Social actors share resources and develop activities to implement social intervention policies.

The **actors** are defined as those who carry out activities and/ or control resources, they can be: an individual, group of individuals, parts of companies and/ or companies. In the exchange process the actors develop relationships with others, allowing them to access and use the resources of other actors and their association to carry out activities. Social institutions, such as companies, aim to mobilize the biggest amount of resources that can be direct (their property) or indirect (based on relationships with other actors and on interdependence of these actors) to achieve greater individual benefits, increase and improve their position in the network (Hakasson and Snehota, 2006; Hakansson and Johanson, 1992; Hakasson and Ford, 2002). The actors invest in relationships and develop narrow bonds with few counterparties that influence the identity of the organization and also the partners involved. During the interaction problems arise and solutions designed by knowledge, resources and capabilities of the counterparties, strengthening mutual commitment, dependency and the value of that relationship. In this sense, the perceived relationship affects the action of the actors, their behaviour, since this depends not only on direct interaction, but also on their perception of the relationship's value, trust and commitment between counterparties (Hakasson and Snehota, 2006; Hakasson and Snehota, 1995). In the relationship between two parties there are always uncertainties and mistrusts that are affected by the subjective interpretation of the actors. Therefore, there is always the need to increase confidence in the commitment. (Hakansson and Johanson, 1992; Hakasson and Snehota, 1995). The objectives of the actors in the network can be simultaneously compatible or contradictory, which means that companies sometimes adopt behaviours of cooperation and sometimes adopt behaviours of conflict. The tension between conflict and cooperation is inherent in the network because every actor wants to increase its benefits. (Ramos et al., 2013; Rose bush et al., 2009; Hakasson and Ford, 2002; Araujo and Easton, 1992).

Organizations establish relations largely by the substance of the activities. The **activities** take place when the various actors combine, develop, or create resources using other resources. Different and numerous activities are conducted and coordinated within an organization (technical, administrative, commercial,...), which are linked to other activities of other organizations (Hakasson and Snehota, 1995; Hakasson and Johanson, 1992). Thus, organizations need to coordinate and adapt their internal structures with other partners of the network and vice versa, since they influence in effectiveness, cost structure of both and are part of a chain of activities. This connection reflects the interdependence of the relationship based on activities. The change in one of the structures of the activity will have higher impact the greater the degree of interdependence (Hakasson and Snehota, 1995). These interactive processes of joint learning and mutual adjustments create routines and implicit rules that generate stability, thus facilitating the resolution of potential conflicts and coordinating the activities of networks in which different parties are interested (Hakasson and Snehota, 1995). Interfunctional communication may be an important tool of coordination activities within the network, and so a feature of the firm's ability to identify and respond effectively to stakeholders in the network and to customer requirements (Jaworski & Kohli, 1993; Narver & Slater, 1990)

Resources are used by actors when carrying out activities. Each organization has heterogeneous resources that can be tangible (products, equipment, financial...) or intangible (technical know-how, knowledge, access to other relationships...) and that are naturally insufficient for the development of its activity (Håkansson and Snehota 1995; Håkansson and Snehota, 2006; Håkansson and Ford, 2002). Conjugation and access to resources of other companies provide a valuable asset to the counterparties, depending on how the resources are combined. The confrontation of different expertise, as a result of connection of activities and resources, creates new knowledge and more combination opportunities. Thus, network relationships are seen as enhancers, but also as action limiters, since the companies are in part dependent on their relationships (Håkansson, 1982; Easton, 1992; Håkansson and Ford, 2002; Håkansson and Snehota, 1995). "As relationships are valuable bridges of access to resources, they can also be considered in themselves as resources. A relationship is a feature that unites various resource elements." (Håkansson and Snehota, 1995, p. 31).

Collective action in industrial networks

The explanation of collective action in industrial networks is an interesting contribution to this research, to the extent that the object of this study is the relationship between public institutions and social institutions in collective action to fight the problem of poverty and social exclusion for the local social development. One of the most important concepts in this literature is Issued Networks. They are sets of cooperative relations involving actors in the collective fight to a common problem, based on collective action. These networks emerge in the recognition of a common problem among the various actors in the network, which perceive more advantages in joint efforts than in isolated action, consummating often the formalisation of the network. The collective action networks depend on the ability to mobilize converging interests that may take a formal character (through an explicit agreement) or an informal character (no formal agreement) and include economic or non-economic connections (Rosebush et al., 2009; Brito, 1999). The actors that make up these thematic networks expect that through their cooperation efforts and activities adaptation and resources to increase their individual benefits, based on the motivation to participate and continue to interact collectively. Trust, commitment and social standards developed in successive interactions that reinforce the bonds of the relationship appear to be more related to the collective interest than individual interests, suggesting the continuing need to balance collective and individual benefits (Medlin and Quester, 2001). The performance of network cooperation activities implies the mobilization of actors and that links between the actors are necessary (Håkansson and Snehota, 1995). The mobilization happens when actors acquire a common vision and goals and have a strong commitment to each other (Brito, 2001; Ritvala and Salmi, 2008). Networks based on collective action tend to affect the strategies of organizations and their individual representatives, since the unified action influences processes, relationship structures and the balance of power within the networks (Brito, 1999; Rosebush et al., 2009).

Methodology

The overall objective of this dissertation is to analyse the most important facilitating factors that promote the building of strong relationships between public institutions and social institutions in networking. Based on the literature presented in the previous chapter, this research intends to answer the following questions: (1) How does the social exchange influences building relationships between social actors and to what extent it contributes to the mobilization of stakeholders? (2) How does the formal and informal interactions facilitate and / or difficult the building of relationships between social actors? (3) How do collective activities influence the building of relationships between social actors? (4) How do the characteristics of organizations and individuals facilitate and / or difficult networking and building relationships among social actors? The definition of research questions such as "how?" guided the study for the choice of a qualitative methodology. The exploratory option of a case study is related to the presented literature (it is also often exposed through case studies) and the object of study, since the data to be obtained have a high degree of complexity and are qualitative (Yin, 2003; Jackson, 2007). The case study chosen was the Matosinhos Social Network (Rede Social de Matosinhos – RSM) since it has a high variability of organizations represented by these social

actors with different areas of expertise involved collectively in fighting social exclusion and poverty and promoting social development of the territory. In addition, it has a long history of networking, a cohesive, participatory and effective relational dynamic, important elements for achieving the objective of this investigation. This analysis unit has a particularity in relation to the Industrial Marketing Purchasing literature, networks emerge as a result of long-term relationships and interdependence that is being created by the bonds between the actors, performing activities and combination of resources. Therefore, networks are not managed by businesses, organizations are managed within networks (Shih, 2010; Hakasson and Ford, 2002; Håkansson and Waluszewski, 2002). Subsequently, the case study will be an opportunity to analyse the network relationships in a network created institutionally by governmental law decree.

Data collection and analysis

In the collection of data, documentary analysis and semi-structured interviews were applied to ensure multiple sources of information on empirical research, data triangulation, solidity to the accuracy of findings (Yin, 2003). In this research various documents were analysed, the 2014 Action Plan of the RSM, internal regulations, attendance sheets and sites that allowed assessing the key actors of the network for the interviews and strengthen some relevant information referred to throughout the same. Semi-structured interviews with key actors of different core network were conducted. The selection of interviewees was made in the course of the analysis and not totally previously selected (Fernandes, 2001). The first exploratory interview was conducted with two people of the technical team and monitoring the Social Network and beyond the exploratory interviews eight interviews were conducted (Table 1) that were recorded, transcribed and processed in accordance with the content analysis method. Content analysis is a set of techniques that apply to the analysis of diverse discourses, based on inference (Bardin, 2009). Table 2 presents the content categories and their description.

Table 1: Interviews

Interviews	Organization	Functions	Duration
Interview 1	Matosinhos City Council	Staff of the monitoring team of the Social Network (Social and Health Promotion Division Matosinhos City Council)	75 m
Interview 2	Matosinhos City Council	Chief of Social Promotion and Health Division and Technical Director of ADEIMA	50 m
Interview 3	Union of parishes of Custóias, Leça do Balio and Guifões	Guifões Social Worker	55 m
Interview 4	Union of parishes of Custóias, Leça do Balio and Guifões	Custóias Social Worker	50 m
Interview 5	Guifões Cultural Center	Technical Director	55m
Interview 6	Guifões Social Development Association	Technical Director	55m
Interview 7	Sra. Hora Health Center	Social worker	90m
Interview 8	PSP	Police Officer	80m
Interview 9	Pedro Hispano Hospital	Director of Social Services Pedro Hispano Hospital and Matosinhos Health Centers	60m

Table 2: Categories of content analysis

Content Categories	Description
Social exchange / Trust	Frequency of contact between the actors and the type of links that exist on the network; Interaction process; History and standard of degree of trust and mutual commitment.
Informality/ formality	Formal or informal network character.
Cooperation/ Conflict	Perceptions of actors involved regarding the atmosphere of cooperation/conflict; Cooperation and coordination capacity of the various entities. Types and frequency of joint activities.
Power/ Dependency	Interdependence of the relationship based on activities; Network members' ability to influence decisions or actions of other network partners; Importance of network organizations in the development of the actions of others.
Expectations / individual interests	Mobilizing interests of the actors in the network; Balance between individual and collective gains;
Characteristics of organizations	Organizational culture (hierarchy, functions and positions verticalization; formality of decision-making ;) Open System vs. Closed System Organizational communication

The case of Matosinhos social network

The RSM was established in 2000 as an initiative of the Institute of Security and Social Solidarity for the integration of a pilot project funded by it. However, since the 90's there was a network of informal partnership and close relations between the City Council , the Institute of Security and Social Solidarity and some institutions, particularly the Association for Integrated Development of Matosinhos, that developed social work in Matosinhos.

Composition and RSM operating structure

RSM is organized into two territorial levels (county and parishes), according to the following three formal structures: the **Local Council for Social Action**, the **Executive** (Núcleo Executivo - NE) and the **Parish Social Commissions** (Comissão Social de Freguesia - CSF). Local Council for Social Action is a municipal forum where the public and private institutions are represented and belongs to the RSM, meets two to three times a year and includes the formal dimension of the network. The City Council streamlines the NE, which organizes and coordinates social intervention in the county and consists of key entities and cross intervening in the county. The Parish streamline CSF that meet monthly and are made up of public, private and other groups and associations operating in the territorial area and belong mostly to the full Local Council for Social Action. To support the formal structures was set up a technical and monitoring team that are always present in the meetings of the CSF, the NE and the Local Council for Social Action and are the main transmitters of information to the NE.

Discussion and analysis of results

Social exchange and building trust in Matosinhos social network

The research shows high complexity in the process of interaction between the different partners of the RSM. Interactions take place between several people with different levels of autonomy, hierarchical positions and different organizations with services and various purposes. In RSM there is a permanent contact between the actors motivated by two interaction networks: (1) the Legal Network imposition of interactions, such as monthly meetings of the CSF / NE and contacts for the implementation of the business plan that require a contact at least weekly between the actors (2) and interactions necessary for the functioning of the daily services of each organization, as the RSM actors develop part of their work based on relationships that are on the network. The frequency of contacts motivated by the operation of services tends to be daily between organizations with complementary services. The interactions in RSM are continuously and frequently developed with multiple work targets where a network interaction facilitates and enhances the other and vice versa. The episodes of interaction which have proved to be more important to the development of relationships and trust between the actors were the monthly meetings of the CSF / NE (that stimulate contact and knowledge of the local community actors) and joint activities involving all actors simultaneously, such as health week or raising funds for the acquisition of technical equipment. The activities are defined in the action plan by all actors who belong to CSF or NE, and are coordinated by the facilitators of the RSM (Parish or City Council) and performed by the actors identified as having key resources (material, human, expertise,...) to perform them.

We can only work on a daily basis because we know us and because we know who we are, where we are, what we do and without the RSM we did not have it. Otherwise, we could not know each other so well, to articulate and did not have the mechanisms that are established in the meetings of the CSF. To treat a case we will communicate with whom? Who is present? One time there is a technique, another time is another ... and that makes it difficult because we have to adapt to contacts, to ways of working. Having CSF meetings we can see who the contacts are, who's where (...) if there was no network and the meetings we did not have a link. Interview 8

In RSM interactions resulting from legal requirements (such as meetings of the CSF / NE) and from joint activities potentiated similar daily interactions among the actors, facilitated contacts and working procedures and coordination that have been instituted over time. The transacted services and permanent contacts between strongly complementary services have an important role in building confidence between the actors of the network, to the extent that it increases the frequency of contacts between them. It appears that the higher the frequency and continuity of interactions it becomes easier to build relationships and trust among actors.

The persons that make me feel more confident are basically Dr. X and Dr. Y. I feel more confidence and connection in them, being older, because we already know each other for many years, because there is already a history of work and trust. Also because they represent the areas closest to our social response, for example, in case of employment our intervention is no longer so close. Interview 9

Informality of Matosinhos social network interactions

RMS has a formal structure decreed by the legislation governing the program. The law defines the functions of each operating core and the legal procedures of the Social Network. The social diagnosis, social development plan, the action plan, internal regulations, minutes of meetings and attendance sheets are legally mandatory. Despite the fulfilment of the legal and formal network operational activity, i.e. the development of actions, communications between partners, solving problems, sharing difficulties, constraints and the meetings of the NE and CSF are carried out with informal character. Normally, the formality of the work is done *a posteriori*, after agreed by phone or commented at the

end of a meeting or activity. This informal dimension of the RSM work seems to facilitate the building of relationships between actors for perceived collective gains, by the ease of work and immediate availability is that is understood by the other party in solving problems of the community or the organization.

(...) we must formalize and send social information of everything. Now, the advantage is that I first call, see if there is a response or not and then coordinate (...) this results in not losing time sending an email or formalizing a request and then see a negative response. Interview 7

(...) there are always informal contacts because we are people and already there is a very formed and cemented relationship with the people who worked on the network and therefore (...) Informal contacts are the result of our trust and our relationship as professionals. Interview 9

Continuous and frequent social interactions motivated by both interaction networks lead to the construction of a stable relationship and reduce the formality of the procedures as a result of trust and cooperation that is being created among social actors. Thus, it there is an informal atmosphere based on trust and on the bond from the interaction between the actors of the RSM. Even though relationships have a formal bond they are strongly marked by social interaction ties and the informality that reinforces the perception of the relationship value and facilitates networking and the work of the organizations.

Cooperation in building relationships and perception of relationship value

Actors Resources and Activities model (Hakansson and Johanson, 1992) indicated that the actors establish relationships largely by the substance of the activities and these occur when the various actors combine, develop, or create resources using other resources. Thus, the perceptions of RSM actors regarding the atmosphere of cooperation and conflict were examined. The relationship between RSM actors is part of an environment of cooperation and joint efforts for the resolution of community problems over time through several remarkable episodes. To understand the cooperation of the various elements necessary for their existence and influence of the construction of relationships, a concrete example of collective activity will be used. One of the crosscutting issues to various organizations identified by RSM actors is the lack of technical equipment (wheelchairs, adjustable beds...) for people with physical disabilities. This problem affects the effectiveness of the responses of the organizations, since they do not have the financial capacity to acquire this type of material and borrow indefinitely to people in need. Thus, the actors have defined the common objective of bridging this gap. They planned and carried out various activities such as shows, sports events to raise funds for the acquisition of material. The activities involve compromise and adaptation of organizations to coordinate tasks and resources. If an actor fails his share all others are affected and the success of the activity may be compromised.

(...) we have better results if we work in a complementary way (...) If I can solve a problem with the help of partners, it is resolved. While alone, I cannot. Some people think that this is losing power, I think exactly the opposite. This is gaining power because you gain effectiveness and efficiency. If I am more effective and efficient, I'm stronger. Interview 2

These collective activities and granting of new solutions require that RSM actors have to adapt and be flexible, as part of a chain of activities and determine the effectiveness of the results. RSM actors have to dispense working hours of their institutional service for the planning and implementation of collective activities, share information and resources with other actors and adopt common work procedures. This adaptability of the actors is valued by the other party, because it facilitates the work of the organizations involved, resulting in strengthening the relationship and cooperation.

(...) We work in chain and intersection, it is like the domino sequence, if one falls, all fall. We have our branches and our ties, if a tie is unravelling the work of others becomes much more complicated. Interview 9

From the interviews it is clear that for RSM actors to maintain a cooperation and joint environment a unifying leadership is required to be present at every meeting, planning and decision, aggregating the information and assuming the coordination of activities and network contacts. CSF facilitators and RSM technical and monitoring team are in contact with the network entities and these transmit the information to the City Council local territory, legal guardians of the Social Network. Thus, there is a local leadership and a leading RSM, which belongs to the City Council. This global vision and knowledge of what is happening in RSM allows the City Council to make decisions or take actions to stimulate networking and raise the level of the actors' participation.

The facilitator manages the consensus and the stronger our bond with the institutions the easier it is to create consensus among them. I am a connection point, the centre point (...) because if there is someone to organize and coordinate, things do not work, they dissipate. For example, last year I was absent almost all year and when the evaluation was made the difference was evident, by the number of actions that was carried out. Interview 3

Organizational dimension

From the interviews and the analysis of attendance sheets different levels of cooperation and participation in the meetings of the CSF and collaboration of collective activities were verified. It was observed that organizations with power centralization, high power distance, lack of employees' participation in decision-making have a weaker participation in the network. This type of organizational culture seems to hamper network relationships due to its formality and reduced flexibility. Furthermore, it seems to prevent the actors from creating cooperative relationships with the partners, due to the lack of autonomy and decision power needed for the development of joint activities.

(...) the representative shows that he does not have autonomy or power of decision, nor answer to anything. If we are thinking about an activity that involves the community, our colleague cannot tell if he does or not, if he can make the institution available or not. (...) There are other colleagues who have autonomy and opening with the management, allowing them to compromise (...) we do not lose much time. (...) In these cases it is evident that the institutions send us to the meetings, not just to send, but to collaborate. Interview 6

The difficult communication both ways and a high internal differentiation (departments, positions and functions) by the size of the organizations difficult the network relations by the difficulty of immediate response and appears to increase uncertainty and mistrust of the representatives of the subjective interpretation of other actors from the network.

This year was a little difficult because there were other priorities for debate by the Board of Directors. The plan of action was delayed and was not delivered in the City Council in due time, not my responsibility, but by the Board of Directors decisions. In a way this creates a malaise in the network and because there is a trust we can justify ourselves informally with certain elements, not to all, but people can understand the reason for the delay. Interview 9

On the other hand, in organizations with fewer departments and functions, where internal communication flows in both directions (vertical and horizontal), there is accessibility of information, the leadership is democratic, decision-making is done in a participatory way and is given autonomy to actors to develop trust and cooperation relations (as they have the information and knowledge for decision making in accordance with the interests of the network and the organization itself), relations with the organization are seen by the other party as facilitators and determining the network. Thus, it is considered that the leadership style proves to be a key element in the networking relationships.

Individual dimensions

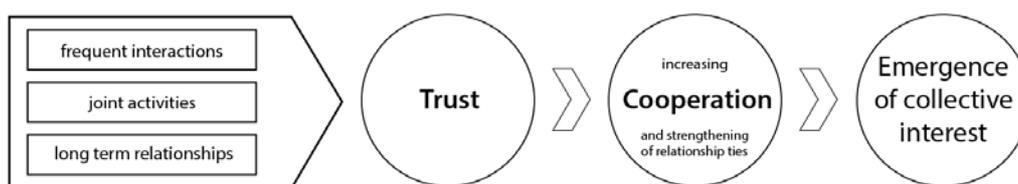
In addition to the institutional dimension, the individual dimension also seems to influence positively and / or negatively the relations of trust and cooperation between the actors of the network. The skills, knowledge and professional experiences that each actor has, such as the ability to work in teams, planning, organizing activities and interpersonal relationships may reinforce the perception of the value of the relationships.

(...) The director has changed recently (...) Despite being a new element, he quickly got along, he is part of the group ... it seems that now we know him for a long time. It depends largely on the attitude from people (...) he is an active partner and has just arrived a couple of days ago, he is fully integrated and is a partner we can count on (...). Interview 2

Discussion

After analysing the interaction process and the atmosphere of relationships is possible to conclude that, as mentioned above in the chapter of the literature review, trust relationships are largely built by the substance of activities across multiple social interactions over time and the longer these interactions episodes the more institutionalized with routine and behavioural patterns they become (Hakasson and Johanson, 1992; Hakasson and Snehota, 1995). In conclusion, the continuous interaction motivated by the development of collective activities and the complementary services transaction are the lever for building trust and closer interaction between the various actors, allowing knowledge of who are the actors, institutions and existing resources in the local community. Thus, the on-going social exchange over time is fundamental in creating ties and reducing uncertainties an in developing an atmosphere based on trust and cooperation (Hakasson, 1982; Hakasson and Snehota, 1995; Hakasson and Ford, 2002). As systematized in Figure 1, trust relationships emerge by the frequent interactions, the cooperation in collective activities over time, which results in increased cooperation and perception of the collective interest in networking. The mobilization of actors happens by creating links between the actors in episodes of interaction (Håkansson and Snehota, 1995; Brito, 2001; Ritvala and Salmi, 2008). Cooperation plays an important role in the development of trust relationships, but is also a consequence of trust and close relationships.

Figure 1: Building trust in relationships and their effects

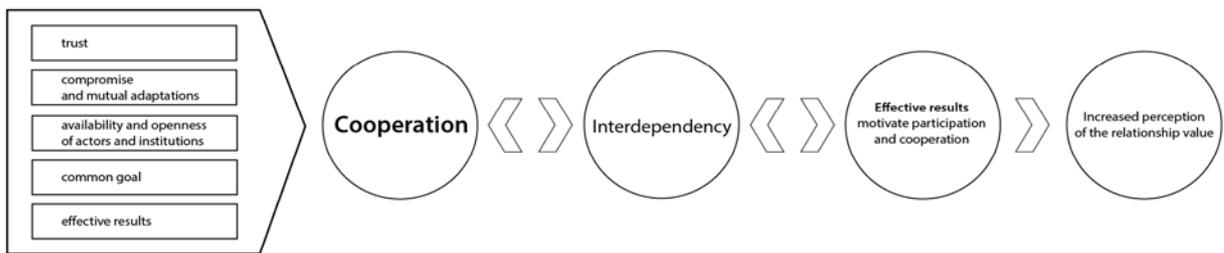


Cooperation seems to be facilitated by the establishment of the common goal, by the actors' view of alignment with this goal and the openness and availability of each part in solving the collective problem. The implementation of effective collective activities and the value created by combining different resources, have a positive impact on the relationship value perceived by the actors and on the power of networking, leading the actors to considerate networking as a resource itself. Therefore, it is considered that the relationship between the actors is solidified by the interdependence of the co-activities and its results. The fact that the actors consider networked relationships as value and realize more benefits in efforts conjugation tends to increase cooperation, trust and mobilization of actors for networking.

Each organization operates within an interdependency texture that affects their development, because as no actor has all the resources desirable for the development of their service there is a need to create

links with other complementary services and establish networks of resources and activities (Hakansson and Johanson, 1992; Hakansson and Ford, 2002). The combination of resources and the creation of new responses reinforce not only the common goal between the actors, as well as the mutual commitment and interdependence of relationships and show a high degree of interdependence of RSM relations. Thus, networking influences the identity of the organization and actors through the need for coordination and adapting internal firms' structures with other actors in the network and vice versa (Hakansson and Snehota, 1995; Hakansson and Snehota, 2006). These interactive processes of joint learning and mutual adjustments throughout the history of the relationship create routines and implicit and explicit rules of behaviour that generate a base of stability in the relationship by facilitating cooperation, the resolution of possible conflicts, the coordination of activities and scope effective results (Hakansson and Snehota, 1995).

Figure 2: Emergency cooperation and perception of relative value



As systematized in Figure 1 and 2, RSM analysis shows that the value of the relationship is based on common social exchanges and relationships produced in the field work between public and social institutions that emerges, which arises the interdependence of relationships that creates trust and mutual commitment. The necessary adjustments to an atmosphere of cooperation contributes to the development of a positive perception of the relationship, resulting in increased mutual commitment, cooperation and a shared vision. The mobilization of actors happens when actors get to have a common vision and objectives that reinforce the trust and relationship commitment (Brito, 1999; Brito, 2001; Rosebush et al., 2009). It is considered therefore that trust, mutual commitment, the characteristics of organizations, common goals and effective results contribute to the cooperation and mobilization of actors. However, there is a need for a unifying and mobilizing lead so that the collective actor works and stays coordinated.

Based on the previous discussion we suggest:

Proposition (1) Social exchange, collective action and cooperation facilitates trust relationships, mutual commitment between social actors and contributes to the mobilization of a managed artefact network.

In a great extent, networking requires flexibility and adjustment ability of the individuals and of the structural organizational patterns to the achievement of common goals. Table 3 systematized institutional and individual dimensions that can interfere with the dynamics of trust and cooperation. The symbol (+) was used to the dimensions that positively influence the relations of trust and cooperation, the symbol (-) was used to the dimensions that negatively influence the relations of trust and cooperation and (n) was used to neutral dimensions. The symbols (n / +) or (n / -) are used to the dimensions an indirect influence over trust and cooperation even if it is apparently neutral.

Table 3 – Institutional and individual dimensions that influence the relations of trust and cooperation

			Influence on Trust	Influence on Cooperation
Institutional Dimension	Organization and Communication	High internal differentiation	-	-
		Flexibility	+	+
		Accessibility of information	n/-	-
		Two-way communication (vertical and horizontal)	n/+	+
	Leadership Style	Distance to power	n/-	-
		Centralization of power and decisions	n/-	-
		Taking part in decisions	+	+
		<i>Empowerment</i>	+	+
		Openness	+	+
	Interdependencies	Activities coordination	+	+
Transfer and sharing of resources		n/+	+	
Individual Dimension	Professional skills	Ability to work in team	+	+
		Ability to plan and organize projects and activities	n/+	+
		Interpersonal skills	+	n/+

Content analysis revealed that the characteristics of organizations, including the formality of organizational procedures, hierarchical centralization of power and decision-making are characteristics that hinder quick decision making, networking and the value perceived the relationship. On the contrary, openness, availability to interaction, flexibility to adjust, autonomy and empowerment facilitate networking, cooperation and perception of value among stakeholders. With regard to the individual dimensions, the literature states that each actor has experience and expertise that when combined with other actors gives new knowledge, and relationships is seen as a resource (Hakasson and Snehota, 1995). Further, we consider that if the actor participating in networking lacks the professional skills and knowledge, this may negatively influence the relations of trust between the actors of the network. Moreover interpersonal skills and being able to work in teams is needed to the development of networking. Therefore organizations, through their representatives, who possess these abilities assume a dominant role in the network and in the management of the network, albeit there formal representatives. Therefore we propose a second proposition.

Proposition (2) Competent and skilled individual through decentralized and empowered organizations in “managed” networks, improves decision making and the value of the relationships perceived by the actors, assuming a dominant role the network.

Conclusions, contributions and limitations

This study contributes to the development networks and collective action and in the third sector. The paper provides empirical support for the understanding of relationships and factors that drive or hinder the participation of the actors among public and private entities. The industrial networks approach was applied in the third sector, which may be an opportunity to enrich and diversify the literature of management in the third sector as well as the literature of Industrial Marketing Purchasing Group. The IMP Group approach explains emerging commercial networks in the industrial environment and not networks as artefacts. This research focuses *a priori* or mandated networks pursuing social goals, concluding that the IMP approach is also relevant in explaining those formally established social networks. The implementation of the industrial network approach to the

third sector provides a better understanding of the advantages and features through the intervention and network participation. Networking is an opportunity to access inside information, to acquire and explore new resources or to raise support that can be transformed in increased effectiveness and visibility of the organizations. Research also provides insight among public sector professionals on the importance of developing close relationships, appreciation, encouragement and support of public institutions to local social institutions, promoting their participation in local development in an informal setting.

The on-going social exchange over time motivated by the achievement of collective activities and the development of the daily service of each third sector organization, leads to building ties, i.e., to stable and reliable relationships that contribute to the mobilization of stakeholders. The informal interactions facilitate formal relationship building among stakeholders and facilitate the coordination and cooperation of networking and organizations, reinforcing the perception of value of the relationship. Cooperation in carrying out collective activities is the main reason for building the relationships between the actors. The realization of collective activity requires that the actors interact, share resources, adapt their internal structures and develop interdependencies of actors, resources and activities, building relationships of trust. Therefore our first proposition is *(1) Social exchange, collective action and cooperation facilitates trust relationships, mutual commitment between social actors and contributes to the mobilization of a managed artefact network.*

Research shows that the formality of social context, hierarchy, centralization of power and decision making in organizations are features that hinder quick decisions, networking and the perception of value of the relationship. On the contrary, openness, availability, flexibility, autonomy and empowerment, facilitate networking, cooperation and perception of value among stakeholders. This effect is emphasized by individual characteristics in the network, such as past experiences and professional and interpersonal skills, being very important in the network dynamics and management. Therefore our last proposition is *(2) Competent and skilled individual through decentralized and empowered organizations in managed networks, improves decision making and the value of the relationships perceived by the actors, assuming a dominant role in managing the network.*

Even though the two propositions are generated from a specific case, they hold an analytical generalizability in the sense that they unveil main dimensions that can be assessed in any network pursuing social goals or social network, but whose level will vary from case to case. These dimensions are: (1) the degree of social exchange and cooperation via collective action and (2) the degree of empowerment in an organization and the ability of their professionals to networking. Identifying and highlighting these relational dimensions of social networks are the main contribution of this research.

The findings rely on a single case study, the Social Network of Matosinhos, and therefore need further research in order to become completely transferable to other social networks. Moreover, by using multiple case studies more rich and diverse contributions could be obtained to deepen the leadership issues in the network and address the influence of politicization of the directions of organizations and possible conflicts of interest in participation and cooperation on the network.

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