The Skills of the Network Manager: Empirical Evidence in a Region of Central Italy

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Abstract: This research work aims to investigate the figure of the network Manager as the entity in charge of the coordination and governance of enterprise networks, formalized through a network contract. In detail we intend focusing on the skills which such figure should have for prudent management of the network context. To this end - also making use of previously undertaken studies - an explanatory path was followed which contemplates two different theoretical approaches: in the first, the skills of the network Manager were represented, inserting them within the various phases into which the network life cycle is divided; in the second, a comparison was made between the network Manager and a number of managerial figures profiled by literature, with the aim of highlighting the existing connection and/or contrast points. The theoretical study was followed by empirical evidence: testimonies were collected from network Managers operating in central Italy (Abruzzo Region) and formalized with a network contract, in order to verify whether or not good practice complies with the adopted theoretical framework. The responses of the Managers being interviewed showed a tendential correspondence between the operating practice and what was theoretically discovered. In particular, the complexity of the figure is highlighted following the multi-functionality of the required skills. The importance given to the possession of relational and adaptive skills as been analyzed as well. The Manager who possesses the so-called adaptive skills is somebody who know how to modulate the many different relational and professional qualities He is able to adapt himself to the multiple and different needs that network makes manifest from time to time.

Keywords: Network Manager, Skills, Network Life Cycle

1. The Figure of the Network Manager: Recognition in the ITALIAN Regulatory Framework

The inclusion of the network contract in the Italian legal system that has fuelled reflections on the possible methods of governance of the network contexts emerging following its stipulation.

In this regard, a careful reading of the regulation (art. 42 of Law 122/2010) shows how the legislator offers the possibility of carrying out network governance using multiple and different methods: the management body may be multi-person or monocratic, it may be a natural person or a legal entity.

Among the various possible alternatives provided for by the law, we have focused on the figure of the network Manager as a monocratic body - natural person, in order to investigate managerial skills in detail.

With regard to the case we are investigating, it should be noted that article 42 of Law 122/2010, which gave rise to the "Business Networks", does not explicitly indicate the figure of the network Manager, but leaves room for a monocratic figure and gives the network members full power to provide or not "the entity chosen to carry out the office of common body for the execution of the contract" (article 42, sub-section 2bis, letter e) of Law 122/2010). In fact, the regulation continues "if the contract provides for its establishment, it must indicate the name, firm, reason and company name of the aforesaid common body".

Therefore, with the explicit indication of the "name," the Legislator intended creating the figure of a "monocratic body" in the form of a "natural person" to entrust with the execution of the procedures for the management and
governance of a complex phenomenon, such as the one formalized with a network contract.

The entity chosen to carry out this Office has therefore been identified and hinges on the figure of the network Manager, whose personal identification is also expressly requested.

A further clarification on the rule, aimed at strengthening the consideration by the Legislator also of a natural person as holder of network governance, is as follows: even though defined "Body" by the same legislation, it does not act as the Body of the "Network" entity, but is configured as "Office", generically understood as a set of skills.

The entity therefore operates as a representative of the member companies of the Network and is subject to compliance with the limits of the mandate and the precise instructions of the principals (network operators).

2. The Network Manager and the Network Life Cycle: Skills Analysis

In order to analyze the professional skills which define the profile of the network Manager and the functions that he/she is called upon to perform to coordinate, manage and strategically guide a network of companies, we will use a theoretical framework which considers the methodological construct of the life cycle of the network as the basis of reference [1]. This is, after all, a decisive criticism for the achievement of the objectives being pursued by us because, inasmuch as it permits differentiating the skills/functions of a network Manager according to the different phases in which the vitality of a network is divided, it favours an appropriate systematization.

The evolutionary process of networks has been a subject of study by many authors in the field of organizational and strategic theory [2-5].

Among the most significant models of the life cycle of the network proposed by managerial literature, we will use the construct developed by the authors Romiti A. and Sarti D. in 2013 [6], this being a good synthesis of existing models. By focusing in particular on the initial phases of the evolution of business networks made up of SMEs, the chosen model goes so far as to split the life of a network into three stages: creation (creation of the network), negotiation and endowment of rules and regulations for the operation of the network.

The creation of the network is dedicated to the analysis of the motivations underlying the creation of a network, identifiable in a sort of reaction by companies, especially small ones, to exogenous (environmental) and endogenous (internal) stresses. In this regard, the authors distinguish, in particular, two opposing entrepreneurial attitudes which, from a strategic point of view, can lead to the building of alliances: defensive behaviour, according to which "alliances are built in order to create a strategic block to defend themselves and others from the competition of other groups of companies?"; and a behaviour which we could call "offensive proactivity", which leads to the creation of networks not for the purpose of avoiding competitive threats, but in order to improve the competitive position of a company.

It is already in this very first phase of the creation of the network that the primary role of a network manager could emerge; he/she will assume, in particular, the role of promoter. Often this is a charismatic figure, a leader or a small group of entrepreneurs who, following a reactive or proactive approach, guide the first phases of network construction.

The understanding of the reasons which induce companies to pool and "network" is preparatory to the next phase, defined by negotiation, in which the partners are selected and united in the networked aggregate. This phase too can envisage the involvement of a broker (who could coincide with the same promoter of the network), called upon precisely to "bring together, in a network of companies, several actors who, very often, did not have any previous collaboration experience" [6].

In this "negotiation" phase, the strategic skills which a manager should have in order to increase the probability of success of the business initiative are mainly of a cognitive-experiential and behavioural nature. The activities of persuasion to carry out a common project aimed at creating a network do, in fact, require managerial skills/capacities resulting from the synthesis of knowledge, experience and behaviour.

The so-called social recognition of the promoter takes on importance. This derives from the joint operation of two components: the possession of managerial skills, recognised by the parties involved in the collaboration, and the social role which the individual plays in the local institutional context. The latter is decisive because it is directly correlated to the level of esteem generally accorded to that individual by the company, and exerts a significant influence on the level of credibility, reputation and trust which the parties afford to the entity.

Borrowing what Snow, Miles, Coleman (1992) pointed out in their contribution [8], in these first two phases of the network life cycle, the Manager takes on the role of network "Architect", being engaged in designing the configuration of the network context.

The negotiation phase is followed by the acquirement of network operation norms and rules, within which the choice must be made of the governance mechanism considered the most appropriate, taking into account a plurality of factors including: the level of trust among the partners, the purpose of inter-organisational relations, the symmetry of assets among the partners, the amount of capital investment and basic knowledge involved in the network and the concern related to the appropriation of resources, the anticipated costs of coordination in contexts with high interdependence. In this respect, two main network governance mechanisms can be distinguished: informal mechanisms [2] or relational mechanisms and formal mechanisms which, with specific reference to the ownership dimension, can give rise to
In the rest of this research work we shall try to briefly focus on the profile of these managerial figures in order to determine potential elements in common with/differing from the network Manager [9].

3.1. The Network Manager as Temporary Manager

The Temporary Manager, or "time" Manager, is an external, highly qualified professional, called by the entrepreneur to solve a particular business management situation or a project of limited duration: once the situation has been resolved or the project has terminated, the contract is closed. Usually a Temporary Manager is used to manage a number of critical business moments (both negative and positive), such as: business start-up, transitional management, project management, crisis management, competency management, change management, and generational transition management.

The Temporary Manager could be compared to a network Manager to the extent in which he/she is considered an entity outside the network and appointed by the network participants to manage, on a temporary basis, particular problems which the network is required to tackle during the implementation of specific projects. In particular, if the network pursues the aim of carrying out an internationalization project, the Manager - who could be defined as Temporary network Manager - will act as a bridge figure who facilitates relations, favouring the initiation of a dialogue between networked companies and between these and the meta-systems and sub-systems which populate the relational context of the network of reference.

The Temporary network Manager should have good entrepreneurial skills and leadership, being required, pro tempore, to play the role of "meta-entrepreneur", i.e., a person called upon to look after the governance not of a single company, but of a network of business units. He/she must therefore have the managerial, leadership and command skills of an entrepreneur and which are needed to carry out network activities. Crucial in this case is the establishment of a relationship of trust between the network nodes and the network Manager, in order to enable the latter to best play his/her role as facilitator of interface relations between the network and the stakeholders that populate the reference contexts.

The network Manager may well however be considered a figure similar to a Temporary Manager, also because he/she is called upon by the members of the network to govern the network dynamics typical of a particular phase of the life cycle which the network is going through. His/her involvement will therefore be on a "time basis", being restricted to solving the typical problems of one (or more) phases in which the vitality of the network is disarticulated [10].

The Network Manager, in his/her capacity as Temporary network Manager, cannot in any case be considered a simple network consultant as he/she does not restrict him/herself to suggesting to the network nodes the most convenient decisions for the solution of problems, but he/she manages governance of a non-equity type, referring to contractual elements which do not consider capital exchange and an equity type, which provide for capital exchange.

In this phase, critical becomes the figure of the intermediary/broker who, taking advantage of both the knowledge gained as regards network context prerogatives and his/her own skills in relation to the characteristics of the different governance models, will be able to support the network members in choosing the network governance structure most suitable for ferrying the network towards growth.

The predisposition to formalize the network finds its motivation in the willingness of the parties to minimize, as far as possible, the variability and unpredictability of the behaviour of the network members, recognizing, however, that the formalization of a network is only possible after having built a climate of "familiarity" and trust between the parties based on common and shared values. Consequently, in the choice of governance mechanism, various factors come into play in which the manager will have to invest, such as: raising the level of trust between the partners, definition of the purposes of inter-organisational relations, symmetrical organisation of assets among the partners, identification of the amount of capital investment and basic knowledge involved in the network, mitigation or total elimination of the concern related to the appropriation of resources and definition of anticipated costs of coordination in contexts with high interdependence.

In this phase the Manager assumes the role of network "Operator" [8], and his/her main task is to ensure the network acquires a formal look, in order to ensure its best operation.

The three phases described above are followed by the network operation phase in which the network Manager will endeavour to ensure the proper operation of the network. In particular, he/she must monitor the relations between partners, facilitate the sharing of information between enterprises, facilitate learning processes, control the appropriateness of behaviour between partners, and support the growth of a sense of belonging among the network members.

This phase sees the network Manager take on the role of "Custodian" of the network [8], during which he/she is mainly engaged in monitoring proper network operation.

3. The Network Manager: A Comparison with a Number of Managerial Figures Stigmatized in Literature

The network Manager has characteristics which make him/her comparable with a number of managerial figures, some of whom operating mostly within a single company, others already involved in the governance of corporate networks. We are referring in particular to persons such as: Temporary Managers, Facility Managers, Diversity Managers, Cultural Business Mediators, Meta-Managers.
these him/herself, by virtue of the executive powers received and the responsibilities conferred on him/her by the entities belonging to the network. Furthermore, as Temporary network Manager, the network Manager should provide some sort of exclusivity regarding the relationship established with a given network and not work for multiple networks at the same time.

Last, but not least, the Temporary network Manager should operate correctly both from an ethical and a professional point of view: the limited time of his intervention, the criticality of the areas of intervention and the level of sensitivity of the information made available to him/her, could cause very serious damage if the Manager were to pursue personal goals. In this regard, the Temporary network Manager could proceed in a non-transparent way and try to create the conditions for a renewal of the appointment, or even its transformation into a stable consultancy relationship. In order to avoid such attitudes, the network must provide forms of protection, including through the consideration of specific contractual clauses, so that the Temporary network Manager transfers all the information in his/her possession with continuity and always manages relations in the interest of the network, in such a way as to be considered a representative of the network itself.

Obviously, the network Manager, in his/her capacity as Temporary Manager in charge of the temporary governance of a network, represents a more complex figure than a Temporary Manager operating within a single company, if only because he/she is called upon to manage situations of greater organizational complexity: not working for a single entrepreneur, but for a network context, he/she will in fact have to govern more than one interlocutor at the same time, endeavouring to share concepts such as equality, correct revenue sharing and the sharing of skills and combating that atavistic individualism and competitive antagonism which has always accompanied SMEs.

Since he/she will have to work by creating, already in the very first phases of the network's lifespan, the conditions for a joint collaboration, reducing if not eliminating any initial and inevitable contrasts between the parties, it is obvious that he/she will have to possess among his/her skills also a strong ability for mediation, which will be more marked than those required of the Temporary Manager of a single company.

Since the network Manager is mainly linked to the implementation of a project shared by several companies, he/she will have to have specific skills regarding particular technical aspects, such as:
1. initial contract drafting management;
2. inter-company process management;
3. strong focus on the final objective;
4. evaluation and distribution of the necessary investments (not only economic investments but also in human capital).

The duration of his/her assignment is also on average longer than that of a company Temporary Manager, considering that the duration of a business network project is on average 3 years, compared to the duration of the assignment of a Temporary Manager of 1 year.

In conclusion, we could say that, compared to a Temporary Manager employed in the "temporary" management of a single enterprise, the professional effort required from a network Manager is greater in a larger time frame and the professional figure is more complete.

3.2. The Network Manager as Facility Manager

The success of a collaborative relationship between SMEs is based on the establishment of a relationship of trust between the network nodes, trust between the parties being an antidote to the insinuation of opportunistic behaviour, often the cause of network failures. Trust is built up gradually over time, as a result of continuous – and initially mostly informal - interactions between the parties. The latter could be favoured by specific activities promoted by a party external to the network (individual or organisation), which management literature identifies with the expression "Network Facilitator" [11] and which has a number of prerogatives such as to make it closely approximate to a network Manager. In particular, this is a figure - introduced by McEvil and Zaheer (2004) and by the same authors also defined as "Architects of Trust" [12] - whose primary role is to promote and strengthen relations between companies, encouraging negotiations and helping the members of the network to create opportunities to foster mutual trust and thus create a social environment conducive to collaboration. From a purely operative point of view, the network Facilitator will therefore be engaged in promoting meetings and in facilitating their proceedings.

The role of the network Facilitator is crucial especially in the very first phases of the life of a network, when efforts have to be directed towards the construction of relations between partners, and investments have to be made in the progressive structuring of the social context of the relationship which stems from the daily dynamics of interpersonal and inter-organizational relations between the parties [13]. Its position and activities will therefore be gradually reduced as the relationship of trust between the network members strengthens [14].

In light of the above, we might therefore consider the network Manager as a network Facilitator engaged above all in the management of the first phases of the life cycle of a network; his/her role becomes increasingly less crucial in the phases of network operation, as relational trust between the parties gradually reaches full maturity.

3.3. The Network Manager as Diversity Manager

The Diversity Manager is a managerial entity called upon to manage, in an active and strategic manner, the inevitable differences (including in relation to the managerial styles adopted) existing within any organisation, with the aim of obtaining a competitive edge at system level.

Starting from the assumption that business decisions must be taken in an atmosphere of trust, acceptance and appreciation, Diversity Management becomes a management
model which, by assessing the differences between the parties as precious assets for success, allows the organisation to internalise them, so as to learn and grow thanks to them. The underlying principle of such a governance model could be summarized as follows: "We are in the same team with our differences - not in spite of them" [15].

In short, Diversity Management is an active and conscious development of a far-sighted managerial process, oriented towards the strategic and communicative value of accepting differences and the use of certain differences and similarities as a potential of the organisation, a process that creates added value for the individual company or the organisation in general.

From this definition emerges the procedural logic underlying the implementation of such a managerial practice. In other words, the implementation of such a model of diversity governance passes through a number of potential steps, which follow one another in accordance with a well-structured sequential logic. The first thing to do is acknowledge the existence of differences (and/or similarities) within the organisation, before raising the awareness of the participants so they might consider diversity as potential critical factors for the creation of added value at the level of the organisation in its entirety.

Acceptance of the existing differences and their appreciation (which follows the acquisition of the awareness of their importance in order to increase systemic value) is the basic prerequisite for effective management of the determined differences. In this respect, it becomes a matter, in particular, of suitably integrating the ideas and practices of diversity into management and learning processes within the network and its environment. More specifically, it will be necessary to first of all select/compose that specific mix of diversities capable of providing a strategic advantage in order to increase the organisation's ability to achieve the set objectives [16], before going on to define the activities to be put in place to implement an effective (company or network) strategy which translates into an asset for the identity of the company or the reference network.

From a purely organizational point of view, the Diversity Manager will therefore aim at building a networked context supported by a mentality based on [17]:
1. pluralism: mutual network member learning,
2. full structural integration of all thought groups, so these are well represented within the network,
3. absence of prejudices and discrimination in the system,
4. equal identification of minorities.

The means to be used will essentially be:
1. leadership (support and genuine commitment of the top management of the network member companies in favour of diversity),
2. training (management and enhancement of diversity in the network),
3. research (constant and updated gathering of information and professional experiences in the different managerial thought groups present in the network to identify the different potential problems and identify the respective solutions in the educational process),
4. the analysis and change of current managerial theories,
5. follow-up (periodic checks planned in the network through focus groups).

The network Manager, as Diversity Manager, will therefore be committed to attracting, retaining and combining diversities which, when properly managed, generate a mix of unique and inimitable resources/skills, able to create a competitive edge at network level.

3.4. The Network Manager as Cultural Business Mediator

Within a networked organisation, cultural diversities are very difficult to put together. These are present above all in those networks resulting from cooperation between companies belonging to different countries.

In this regard, literature contemplates a professional figure who, although referring to a single company, possesses characteristics which allow him/her to be compared with a network Manager. This is the so-called Cultural business mediator, a person who, in addition to possessing cultural and economic knowledge, is able to transfer "trust". He/she is a professional in whom business interlocutors place their trust for carrying out and developing the phases of negotiation. His/her task is to foster the creation of trust and reduce the risk of resistance, building a real "area of collaboration" between the parties, especially in business relations and international trade networks.

The Cultural business mediator is therefore at the same time a synthesis between a cultural mediator and a commercial intermediary: of the cultural mediator he/she possesses skills of a mainly linguistic-cultural nature, fundamental for facilitating and favouring the success of the meeting and subsequent development of relationships between entities from different cultures; of the commercial intermediary he/she has the economic business know-how, equally useful to ensure the success of the relationship between the parties.

In essence, the network Manager, in his/her capacity as Cultural business mediator, is much more than a mere translator and much more than a commercial intermediary: he/she is a person who facilitates communication, understanding and action between people or groups which differ with respect to language and culture. The role of the mediator is implemented by interpreting the expressions, intentions, perceptions and expectations of each cultural group towards the other, establishing and balancing communication between both. In order to serve as a link in this sense, the mediator must be able to participate in both cultures. Thus a mediator must, to a certain extent, be bicultural [18].

3.5. The Network Manager as Meta-Manager

The theme of governance of network contexts has been addressed in literature, including by using the expression Meta-management, by which reference is made in particular to "a set of meta-directional roles whose fundamental task is to ensure that the network of companies dynamically adapts
to changes in the environmental contexts of reference" [19].

The performance of meta-managerial activities would be overseen by the so-called network Meta-manager, whose job it would be to carry out complex tasks such as:
1. to give the network a basic strategic orientation;
2. to deal with the governance of the political processes within the network, managing the distribution of power and resources;
3. to create favourable cultural, strategic and organisational conditions to unlock and exploit the network's potential.

These are activities which, while on the one hand highlighting all the difficulties underlying the strategic governance of a network of companies, on the other, require the Meta-manager to adopt a managerial behaviour inspired by principles such as:
1. continuous interaction with the key interlocutors of the network, both public and private, in order to generate an effective learning process and to enhance the identity of the system;
2. firm determination in pursuing the project of strategic governance of the network, also in the face of any resistance to change;
3. balanced communication management, especially in situations where consensus generation is critical;
4. representativeness of the political, social and economic forces operating within the network [20].

The complexity of the Meta-Manager's role, generated by the number of tasks to be carried out, by the heterogeneity of the mechanisms to be activated, by the variety of interlocutors to dialogue with, by the search for sharing, complementarity and synergies between the network's nodes and so on, is associated with a series of obstacles that have a restraining effect on its activity, such as:
1. the existence of major prompts towards individualistic attitudes, which end up limiting the impact of interventions at company network level;
2. the need to coordinate traditionally divergent positions, such as those characterising public institutions and private realities, has consequences in terms of knowledge sharing, decision-making and the sub-optimal use of resources;
3. the difficulty in undertaking ongoing action, due to the extreme articulation of management and a continuous search for legitimacy, can lead to possible delays and resistance to change.

The awareness of the difficulties of meta-management actions and of the existence of numerous obstacles to their completion should however act as a stimulus for research, called upon to suggest the best management practices to be adopted for effective network governance.

4. Some Empirical Evidence on the Territory of Central Italy (Abruzzo Region)

In order to verify the consistency between the results of the theoretical studies set out in the previous paragraphs and what emerges from operating practice, research continued by providing a questionnaire (with yes and no questions) to Managers in charge of the governance of networks of companies operating in a region of central Italy (Abruzzo Region) which formalized the network contract in the period 2010-2015.

Of the 102 networks contacted, selected from the list published on www.retiimpresa.it, 48 took part in the research project. Below are some reflections on the results obtained from the processing of the data based on the answers given in the provided questionnaire.

With regard to the anchoring of the network Manager's skills to the model of the network life cycle, we found that all the investigated networks recognised the validity of the model, confirming that they had gone through all the evolutionary phases indicated in it and that they were experiencing the operating phase.

In relation to the identification of the managerial skills required in the different phases of the CVR, it was possible to ascertain how it is crucial for the interviewed Managers:
1. at the creation phase, to have mediation skills and the ability to intercept possible partners;
2. have partnership skills and integration skills among networks during the negotiation phase;
3. in the phase of endowment of norms and rules, to have the capacity to maintain solid relations between the network members;
4. to exercise control over the activities and behaviour of the partners in the operational phase.

In general, however, relational and mediation skills are considered fundamental for the good governance of the network context.

With regard to the comparison with some managerial figures profiled by literature, within the 5 figures proposed by us (Temporary Manager, Facility Manager, Diversity Manager, Cross Cultural Manager, Meta-Manager), the largest number of Managers acknowledged closeness to the figures of Facility Manager, Diversity Manager and Meta-Manager.

Few were those who declared affinity with the figure of the Temporary Manager, which is probably due to the fact that most of the Managers interviewed have managed the network - formalized with a network contract - from the very start and intend continuing governance activities without time limits.

Equally few were those who admitted closeness to the figure of the Business Cultural Mediator, which could be motivated by the fact that the networks considered, being mostly made up of companies operating in the region, do not require a person responsible for connecting business partners that differ from each other with respect to the language or culture of the different countries of origin.

The main activities which the Managers declared carrying out as Facility Manager were: promotion of relationships among partners in a perspective of confidence building.

The main activities which the Managers declared carrying
out as Meta-Manager were: giving a strategic direction to the network and governing the internal processes.

The majority of network Managers then identified increased competitiveness and the development of innovation as the results achieved by the network, which is perfectly in line with the strategic objectives of network contracts.

5. Conclusions

From the study carried out emerges all the complexity of a figure in charge of directing network contexts. Such person is in fact required to have “multi-functional” skills, since he/she has to perform many different activities. In other words, he/she must possess “multitasking” and relational skills, to be able to play the role of “network fluidifier”, i.e., be able, through the preparation of consulting, technological and managerial tools, to remove the obstacles which stiffen relationships between the parties, so as to strengthen relations between nodes and strengthen the network context.

Such figure could be defined as “chameleon-like”, distinguishing him/herself for his/her "adaptive skills", i.e., the capacity to modulate/harmonize his/her versatile qualities (relational and professional), adapting them from time to time to the multiple and differentiated needs which network dynamics make manifest.

The theoretical effort made, aimed at identifying the skills, tasks and activities of the network Manager, has made possible a synthesis and a systematization of the main skills required by such figure, the roles (or key functions) held and the specific activities performed, which, as can be deduced from what is stated in paragraph 4, has been mostly confirmed in the good practice of the Abruzzo region.

References


