

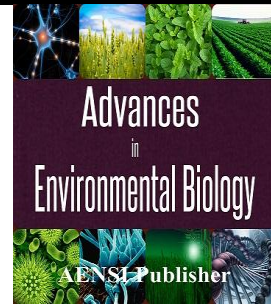


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“Studying the Effects of Policy Making Networks on Efficiency and Effectiveness of Policy”

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ABSTRACT

High efficiency and effectiveness of network policy making approach in attainment of aims by organizations are among the main reasons of organization deviation from traditional methods of hierarchical policy making and decision-making and network policy making tendency. Accordingly, interest in study and using network models in common policy making has become critical and essential between community organizations, because using networks will help to solve problems, issues related to organizations. The main aim of research is to study the effects of policy making networks on performance of policy making networks in terms of efficiency and effectiveness and beneficence of using network models instead of hierarchical models in organizational decision making and policy making. This study is descriptive (correlation). Statistical population included Birjand Mayor and City Council managers and related organizations and public management scholars and experts of Birjand Mayor and City Council in 2014. The data collection tool was questionnaire. Its validity and reliability were determined by poll from experts and questions with a factor loading of less than 0.3 were removed. The data were analyzed by SPSS and smart PLS software. The results showed that social capital, network management and network structure explain 89% of total network policy making performance and 85% policy making network effectiveness.

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INTRODUCTION

Knowledge based organizations and knowledge creation of organizations is not possible in new era without networked organizations and network management. Managers realize their goals and entire network aims with high efficiency through cooperation based relations and coalition [1]. Modern democratic governance occurs through Weberian hierarchical democracy or relying on market, instead public policies consist a range of different actors, including private or non-governmental representatives and policy making network concept or cluster of actors are considered as parts of policy making and parts having capacity to help determining success or failure of policy for describing and predicting outcomes in implementation of policies [6]. Therefore, this study investigates the relationship among network management, social capital, network structure in performance enhancement and effectiveness of policy making in Birjand City Council and mayor.

Problem statement:

Since democratic and participatory society is part of public policy discourse and people like Lasswell Fisher Deloan want civil partnership at all levels of government agencies territory and according to development of information technology and globalization and movement towards more complex multi-faceted and long-term contractual relationships, none of hierarchical and market models cannot be useful as appropriate methods of policy making [1]. Increasing literature indicates useful policy making networks for studying policy making process [8,14,12,21,29,30]. Understanding networks structure is related to policy making because policy making network is a key part of context that forms success or failure of governance systems [9]. Demands of citizens are considered and they are encouraged to participate in policy making [2].

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The changes of knowledge nature and non- accountability of hierarchical policy making system and market focus on importance of networks in policy, also, increased activists, beneficiaries and actors provide efficiency and effectiveness of policy making as Sabatier referred to as coalition of supporters [25].

The importance and necessity of research:

Adopting network approach we can satisfy inefficiencies of traditional bureaucracy and market system, in addition, network approach has other benefits for society including: building trust and coordination among different actors, interactions and reduced cost of access to information, public participation and legitimacy of policies [1].

Background of researches related to network in Great Britain shows that they may be important for successful policy making and implementation and it is suggested that governments strengthen policy networks in communities [6], however, the question still remains that how we evaluate function of networks [15].

Some scholars, especially in Great Britain review necessary range of identifying different policy networks and different forms of this phenomenon that is called political communities. Networks may be linked each other and transformed to factors and groups that are distributed in networks. There may be issues where communities are appeared more active than network and vice versa [6].

Research Questions:

Is there a significant positive relationship between network management and efficiency of policy making?

Is there a significant positive relationship between network structure and efficiency of policy making?

Is there a significant positive relationship between social capital and efficiency of policy making?

Is there a significant positive relationship between network management and effectiveness of policy making?

Is there a significant positive relationship between network structure and effectiveness of policy making?

Is there a significant positive relationship between social capital and effectiveness of policy making?

Literature:

Network Management:

Appropriate styles of management, establishing common aims and resolving possible conflicts, types of successful relationships in organization and role of managers have been investigated. In other words, it refers to new type of attitude towards management and leadership in which power is shared among network members instead of hierarchical management that emphasizes on authority and power and leader plays coordinator role instead of controller [1].

Monaco focused on institutional capacity in his doctoral thesis and the ability of an organization, a government or rule in creating sustainable environment and relationships facilitates the allocation of resources and achieving aims.

Network structure:

It insists on network situational characteristics, especially the importance of relationships among organizations. The purpose of network structure is organization and arrangement that implies structural vacancy and degree of centralization in network structure. It implies structural vacancy or institutional gaps that mean a lack of communication between staff or units that have a common manager or focus. In other words, there is a structural gap when it is necessary to have a relationship between individuals within organization or related organizations for correct decision making and policy making decisions so that organization performance becomes higher but for some reasons, this relationship is not created among organizations.

Granovetr focuses on importance of weak Inter-organizational relationships, however, and makes clear immediately for people who have strong ties and greater incentive to cooperate with each other and are able to help each other [7].

Haggard refers that decision-making structure must not be fragmented and incoherent when political leaders have more freedom in pursuit of political goals.

Social capital:

According to Puntam, social capital is a set of concepts such as trust, norms and networks that provides improved communication and collaboration among members of community and will provide their mutual benefits and mutual trust in network based on actions of community members. There is no doubt that democratic participation in development process and capacity of society system is facilitated with "social capital" [31].

Social capital relies on contribution in formal relationships with others and it is related to amount of belonging to social relation networks and connections, insurance and belonging to local community which goes toward participation in these activities (ibid) demands of citizens are considered important and they are encouraged to participate in policy making [2].

Network Performance:

As Kraso parker have offered, improving accountability, efficiency and effectiveness of network performance through changing attitudes on using hierarchical structures and tendency towards using network structures are among the strongest and effective features of network management. It is measured by two performance indicators of efficiency and effectiveness.

Grindel and Hilderbrand have mentioned three elements of sustainability, efficiency and effectiveness on capacity of public sector and creating capacity in policies. This research has studied on features such as competitive analysis of urban policy or performance evaluation of urban policy, using specific methods of performance evaluation (members of organizations involved in policy) by network, rate of deregulation of urban policy, establishment of information systems in urban policy, transparency of urban policy, accountability of urban policy, decentralization and in terms of efficiency, the extent to which organizational values motivate and the amount of meeting stakeholder expectations in urban policy, according to efficiency of network view.

Literature and history:

O'Toole defined network for the first time as interdependency structure between different organizations or beneficiary departments in a decision. Kikert et al defined the relationship between actors and beneficiaries that are formed around problems. Understanding network structure is related to policy making because policy making network is a key part of context that shapes the success or failure of governance systems [9].

The shift from government paradigm to governance paradigm has given especial role and placement to government participation and interaction with other non-government actors, the first generation of policy making network theory studies different types of networks and how they act as governance mechanisms [20,18,26,22]. The purpose of second generation is normative effects of network theory and political effects of governance networks to improve performance [4,16,14,28]. This paradigm shift, changes governance focus from exchange to follow value [17].

Governance paradigm not only considers vertical relations with government but also, considers the interaction between stakeholders in horizontal relationships [5]. The stakeholders work together to solve common problems and benefit from dialogue to identify differences. Efforts to improve the effectiveness and performance of policy network raise normative standards such as equality, democracy, defining aims, productivity, stability and conflict resolution [15].

Network concept Bottomup theory is raised especially in works of Bani Hejrn and has great importance in combination with other theories and methods. Early 80s, the idea became important for both political science and organizational sociology.

International Association for Public Participation provides Matrix that explains a continuum. This association focuses on five levels public participation. One of the scholars [8] theorized about participation and has used participation ladder metaphor for explaining his theory.

Martin Smith says: The concept of political networks includes ways to deal with situations in which duality of civil society and central state is discussed. Governmental factors are those that present in civil society, they live in community and contact with groups who determine interests of society. Therefore, public factor interests are developed in line with interests of groups and indicate degrees of autonomy that is determined based on nature of political network [18].

Kikert and colleagues say that until now there were negative view on concept of political networks and that's one of the main reasons of failure in policy. Networks represent efficiency, innovation in policy, public sector efficiency and democratic legitimacy. What is important and Skarf emphasizes is realism on networks that needs to understand two main points. Firstly, networks may be important in terms of executive deficits so that Persman and Vildavsky have emphasized it, secondly, the effective implementation that is mentioned by Hejren and colleagues may be related to development of policy networks. In fact, literature on networks in Great Britain suggests that they may be important for successful policy formulation and implementation and suggests that states seek to strengthen policy networks in mentioned communities [20].

MG Smith has identified four reasons for this subject according to Jordan and Richardson research:

- * They facilitate a consultation network for government.
- * They reduce the conflict between policies and create the possibility to decrease policy issues.
- * They make foreseeable policies.
- * They match with well-organized polychotomy- state organizations [11].

Literature indicates that network solves disconnection between policy making and implementation that is mentioned as a problem in top down theories and cohesive relationships between government and individual partners in policy network reduces the conflict between policies such as agriculture or health policy network [20].

Understanding networks structure is related to policy making because network policy making is a key part of context that forms success or failure of governance system [9].

Conte has focused on successful implementation of policies in his doctoral thesis and considers successful implementation as the outcome of interaction and coordination between government- government, government-private sector and private sector- private sector.

Chaskin identifies four factors:

- 1-Resources (from individual skills to access capital resources)
- 2- Relationships network
3. Leadership
- 4- Support for collective action and problem-solving mechanism

In a democratic society, government is a key tool of civil society that provides leadership, resources, tools and roles [5].

Methods:

The research method is descriptive (correlation). Statistical population included Birjand Mayor and City Council managers and related organizations and public management scholars and experts of Birjand Mayor and City Council in 2014. The data collection tool was questionnaire. Questionnaire included 32 items. Independent variables of questions: social capital (2 questions: q8, q9) - Network management (10 questions: q1 to q5 and q10 and q14) – network structure (7 questions: q15 to q19 and q6, q7) and dependent variable: efficiency (12 questions: s1 to s12) effectiveness (2 questions: s12, s13). The questions are based on five-item pack (1 = very low, low, medium, high, very high = 5) and Likert scale. Its reliability and validity have been verified by management experts. Questions with lower factor loadings were removed. At below, the model fitness results have been given after excluding questions with low factor loadings.

Table 1: Measurement model.

Coefficient of Determination	Cronbach's alpha	Composite reliability	Convergent validity	Indicators variable
0.89	0.87	0.89	0.53	Efficiency
0.85	0.70	0.87	0.77	Effectiveness
	0.87	0.89	0.53	Network Management
	0.89	0.91	0.66	Network structure
	0.50	0.79	0.66	Social capital

Alpha level cannot be less than 0.5, composite reliability must be greater than 0.7 and convergent validity must be greater than 0.5. All parameters of measurement model were confirmed. The below figure shows the conceptual model of relationship between factors identified in study. The conceptual model represents the relationship among variables its accuracy or inaccuracy is tested by empirical data.

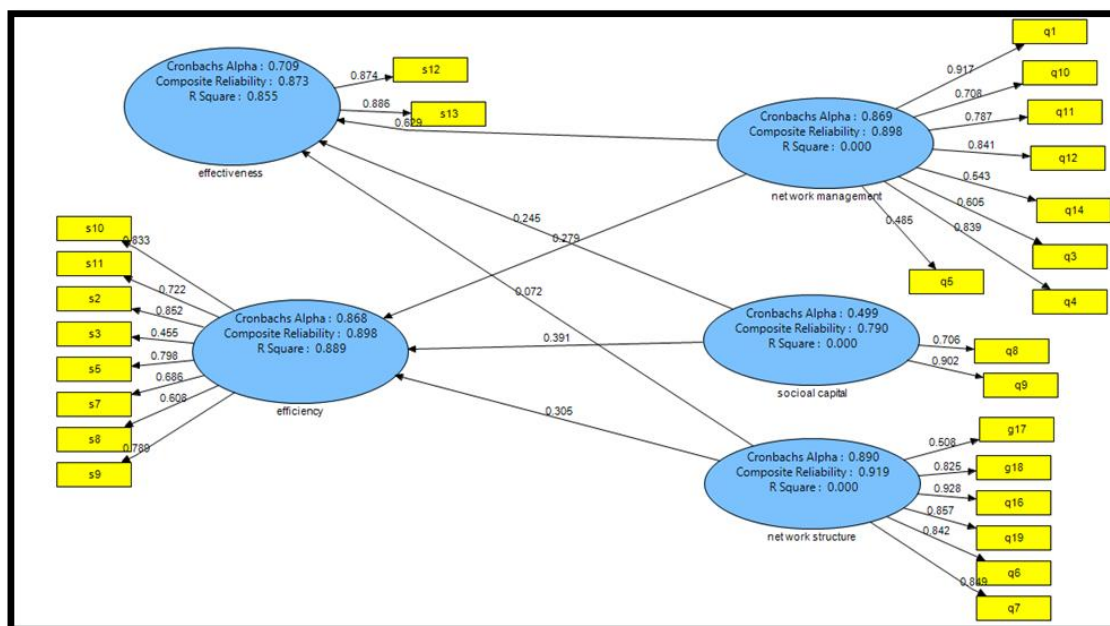


Fig. 1: Parameters of model with path coefficients.

Results:

SPSS and smart PLS software were used for data analysis. The below figure shows the conceptual model of relationship between factors identified in study. The conceptual model represents the relationship between variables that its accuracy or inaccuracy is tested by empirical data. Test statistic is student t statistics that is rejected or accepted according to hypothesis test (null hypothesis). If t-statistic is greater than 1.96, test hypothesis is rejected at 0.05 error level. (Table 2 and Table 2).

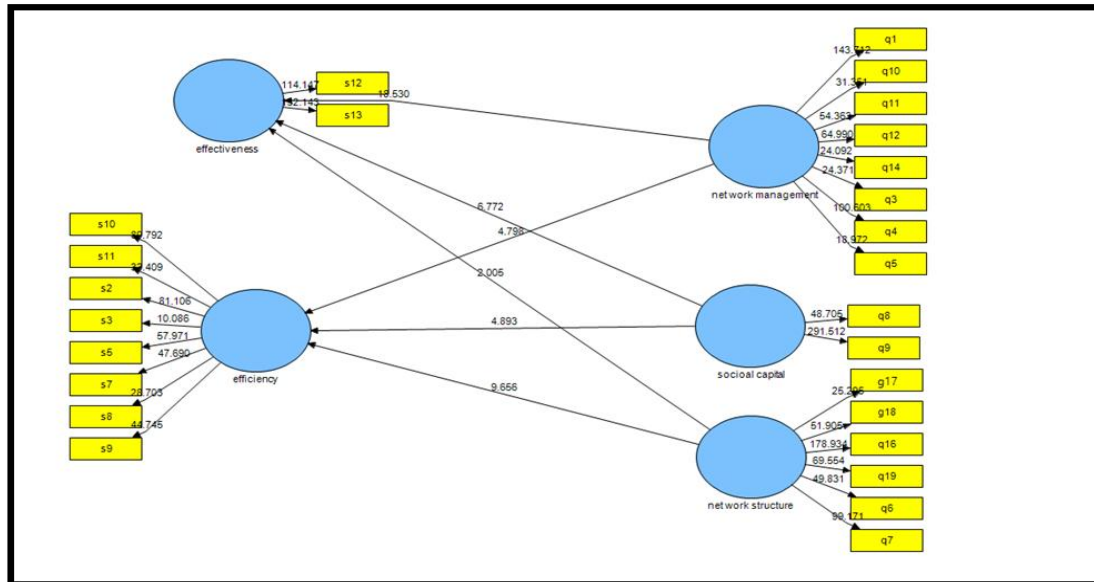


Fig. 2: Structural model with path coefficients and significance.

Table 2: Results of model.

Result (p<0.05)	T	Hypotheses
Verified	4.798	Network management, → Performance 1. There is a significant positive relationship between network management and performance.
Verified	9.656	Network structure → Performance 2. There is a significant positive relationship between network structure and performance.
Verified	4.893	Social capital → Performance 3. There is a significant positive relationship between social capital and performance.
Verified	18.530	Network Management → Effectiveness 4. There is a significant positive relationship between network management and effectiveness.
Verified	2.005	Network structure → Effectiveness 5. There is a significant positive relationship between network structure and effectiveness.
Verified	6.772	Social capital → Effectiveness 6. There is a significant positive relationship between social capital and effectiveness.

According to above table, the calculated t was approved at 0:05 level because in all cases the calculated t is greater than 1.96 and all research hypotheses were confirmed.

Table 2: The relationship between latent variables.

Network structure	Network Management	Efficiency	Effectiveness	Variable
			1	Effectiveness
		1	0.88	Efficiency
	1	0.91	0.91	Network Management
1	0.90	0.90	0.85	Network structure
0.87	0.91	0.91	0.88	Social capital

According to this table, the relationship between variables is positive and significant this means that efficiency and effectiveness of policy making networks will be increased considerably through increasing tendency to networks.

Discussion and conclusion:

Since networks in policy making enhance efficiency and effectiveness of policy making, we can avoid self-centered organizations and move towards network approach in policy making through cultural context so that accountability, efficiency and effectiveness of adopted policies are enhanced and the gap between development

and implementation is decreased and the establishment of policy making networks provides appropriate bed for institutionalizing participation, prosperity and creativity.

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