

Most research into multi-organizational issues falls into the field of interorganizational relations (IOR). Much of this work has explored interorganizational relations and multi-organizational forms from the point of view of a single participating private sector firm, although a growing body of research focuses on public sector networks. In addition, research on interorganizational information sharing and integration and associated knowledge management challenges is being conducted in both the public and private sectors. Consideration of public sector knowledge network performance draws from all of these research areas.

A great deal of this research focuses on the reasons for IOR formation, which in turn suggest criteria for assessing their success. Oliver (1990) presents these reasons as a set of critical contingencies that motivate organizations to enter into relationships with others and set conditions around those relationships. These include necessity (the need to meet legal or regulatory requirements), asymmetry (the potential to exercise power over another organization or its resources), reciprocity (the pursuit of common or mutually beneficial interests), efficiency (the need to improve internal cost-benefit ratios), stability (the need to reduce environmental uncertainty) and legitimacy (a need to demonstrate or improve reputation or prestige).

Barringer and Harrison (2000) summarize the literature on IOR formation into broad theoretical categories. Transaction cost economics focuses on the ways in which boundary-spanning activities can minimize production or transaction costs. Decisions to make, buy, or partner, as well as decisions to subcontract for specialized activities are made in the transaction cost economics tradition. The overall goal is for an organization to seek the lowest cost, highest benefit IOR alternatives (see Williamson, 1975 and 1991; Child and Faulkner, 1998, and Jarillo, 1988 for a range of concepts and applications).

The resource dependence perspective (introduced by Pfeffer and Salancik, 1978) focuses on the motivation for an organization to meet its essential resource needs by controlling its own critical resources, by gaining some form of control over external resource providers, and by increasing the resource dependence of others. Firms may enter into resource dependent relationships to increase their own competitiveness (e.g. Child and Faulkner, 1988), to take advantage of complementary assets (e.g., Fisher, 1996), or to build unique joint market power (Harbison & Pekar, 1998).

Strategic choice theory emphasizes the need to increase internal capability or decrease competition relative to others in an industry (Jarillo, 1988). In IOR terms, firms pursue profit and growth by setting up barriers to the entry of others, by increasing their influence or political power, and by entering into relationships that increase access to resources, improve efficiency, or share risks (Powell, 1990).

The stakeholder theory of the firm (first developed by Freeman, 1984) views the organization as the hub of a set of stakeholder relationships. In this view, IORs are formed to align or coordinate stakeholder interests or to reduce environmental uncertainty.

Organizational learning theory is concerned with a firm's ability to recognize, absorb, and apply new knowledge (Kumar and Nti, 1998 for example) and thus to improve its competitive position. One goal is to absorb knowledge from partners in order to increase competence and add value to the organization. Learning is also seen to be an effective way to transfer and share knowledge across cooperating firms (Powell, Koput and Smith-Doerr, 1996). Learning is also a motivation for forming informal relationships such as trade and professional associations (Mariolis and Jones, 1982).

Institutional theorists focus on the ways in which institutional pressures for legitimacy and acceptance push organizations to conform to prevailing social norms and to associate with firms whose legitimacy and reputation are well established (DiMaggio and Powell, 1983). To achieve their own legitimacy, organizations mimic the IORs of others whose legitimacy is already established. In addition, conformance with norms and rules may also be a simple necessity for firm survival (Oliver, 1990; Alter and Hage, 1993).

The social capital literature emphasizes the richness of ties and resilience of relationships that emerge in a culture of shared norms, values, and experiences (Putnam, 1993; Fountain, 1998). In network literature, this idea has been expressed as the "multiplexity of ties," (Scott, 1991) meaning the strength of relationships that comes from multiple activities and commitments among network members, particularly when the members offer complementary strengths. Anand, et al (2002) assert that this sort of "social capital is the primary means by which organizations import external knowledge."

Other IOR research focuses more directly on the outcomes of multi-organizational efforts. Saxton (2002) found that success of business alliances entails overall satisfaction, the achievement of self-interest goals, and the enhancement of core competencies for each partner. Coalitions among human service organizations were judged more successful when they achieved their tangible common goals as well as interim or related goals, met their

process goals, were recognized by important external actors, and survived environmental threats (Mizrahi and Rosenthal, 2001). Provan and Milward (2001) argue that service delivery networks can be evaluated by such criteria as creation and maintenance of an administrative structure for the network, growth in network membership, the range of services provided to network members, the degree to which these services are coordinated and integrated, and the extent to which the network minimizes organizational conflict and duplication of effort. Research on interagency information sharing suggests that public agencies engage in information sharing and judge it more successful when it achieves both collective and self-interest benefits at several levels: policy domain, mission or program, agency, and dominant profession (Dawes, 1996).

The literature on knowledge management emphasizes the use of knowledge and information to “do something useful with knowledge, to accomplish organizational objectives through the structuring of people, technology and knowledge content” (Davenport, et al., 1998). Knowledge management projects focus on creation of knowledge, improving access to knowledge, enhancing the knowledge environment, and managing knowledge as an asset. Further, the knowledge asset (which encompasses a continuum of data, information, and knowledge) is designed to persist beyond the tenure of any key individuals (Davenport and Prusak, 1998). Management systems research shows that distributed data networks, which are essential to knowledge networks, perform well when they promote high quality data and offer efficient distribution and sharing mechanisms (Jain, et al. 1998).