Chapter 1
The Network Organization as the Development Path for Modern Organizations

ABSTRACT

The first chapter addresses the phenomenon and concept of a network organization. It is a form that is more and more present in today's digital world. It does not solely concern typical network, virtual organizations that are established and operate only on the internet. We ever more frequently see organizations that go beyond their own traditional organizational structures. They are often interdisciplinary and cover a wide range of seemingly different areas of life and economy. Network organizations are particularly common where knowledge and innovation are created; therefore, they are extremely popular when research and development (R&D) and scientific projects are implemented. How widespread network structures are in the life of today's organizations will be established by means of the survey results that will be described in this chapter and in the further part of this monograph.

NETWORK ORGANIZATION: THE CONCEPT AND ITS EVOLUTION, NETWORKS, AND NODES

The origins of the term "organization" can be found in Greek, where the word *organon* (Lat. *organum*) signified a specialized part separated from the environment in order to perform a strictly defined function. This meaning can be easily found in contemporary definitions of the organization, where the

main emphasis is on a clear structure and a common goal of action. This is evident in the approach proposed by T. Kotarbiński (1958, 75), who writes that an organization is "a kind of entirety, given the relation of its own elements to it, namely the entirety whose all components contribute to its success." A similar wording is present in G. Hostelet's approach, where the entirety has been formed from cooperating parts. This collaboration is intentional, as can be seen in the definition put forward by R.W. Griffin, where an organization is "a group of people working together in structured and coordinated fashion to achieve a set of goals." (1996, 35). R. Ackoff specifies the concept of collaboration and points out that achieving the set goals requires division of labor, introduction of an information exchange system and a command and control system (Bielski, 2004, 35). Interestingly, these classical definitions treat organizations in a goal-based manner. The separation of a specific system, namely an organization, from the environment serves the achievement of common goals. In theory, organizations go beyond the ownership and formal structure. They take the form of networks of links and relationships present in the market (Figure 1).

Figure 1. Business relationships and networks – a focal firm perspective
Source: (Möller, Halinen, 1999, 415)
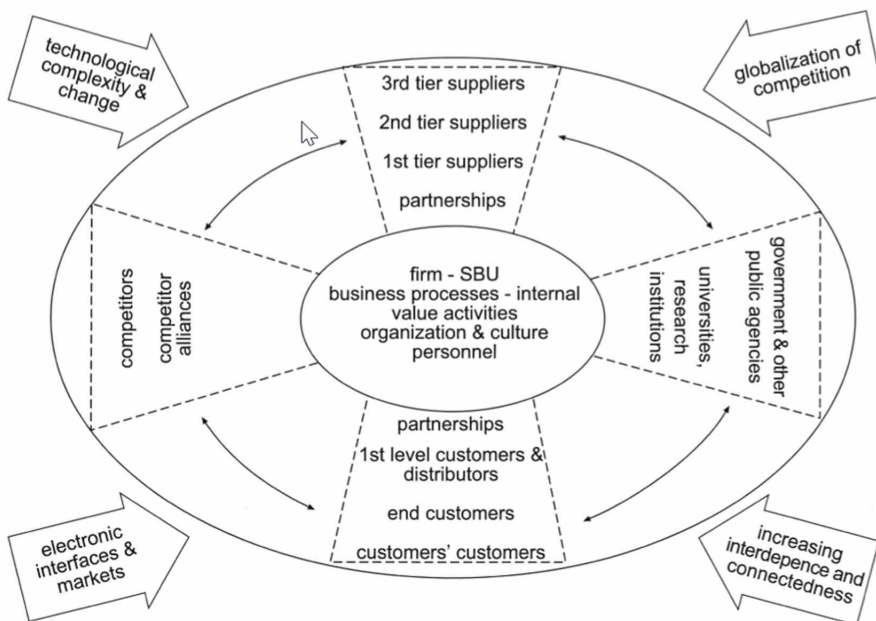
23 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/the-network-organization-as-the-development-path-for-modern-organizations/207457

Related Content

Knowledge Management in SMEs Clusters

Josep Capó-Vicedo (2009). *Connectivity and Knowledge Management in Virtual Organizations: Networking and Developing Interactive Communications (pp. 106-124).*

www.irma-international.org/chapter/knowledge-management-smes-clusters/6949

An Exploratory Study on the Use of Machine Learning to Predict Student Academic Performance

Patrick Kenekayoro (2018). *International Journal of Knowledge-Based Organizations (pp. 67-79).*

www.irma-international.org/article/an-exploratory-study-on-the-use-of-machine-learning-to-predict-student-academic-performance/212568

Knowledge Management in Safety-Critical Systems Analysis

Guy Boyand Yvonne Barnard (2008). *Knowledge Management: Concepts, Methodologies, Tools, and Applications (pp. 1294-1304).*

www.irma-international.org/chapter/knowledge-management-safety-critical-systems/25179

Knowledge Management System Success Factors

Murray E. Jennex (2006). *Encyclopedia of Knowledge Management (pp. 436-441).*
www.irma-international.org/chapter/knowledge-management-system-success-factors/16982

A Study of Knowledge Benefits Gained from Projects: The Electric Utility Industry Y2K Project Experience

Murray E. Jennexand Joseph Weiss (2002). *Knowledge Mapping and Management (pp. 225-232).*
www.irma-international.org/chapter/study-knowledge-benefits-gained-projects/25396