



Universiteit
Leiden
The Netherlands

Transnational networks and domestic agencies : making sense of globalizing administrative patterns

Heijden, M.J.A. van der

Citation

Heijden, M. J. A. van der. (2020, September 30). *Transnational networks and domestic agencies : making sense of globalizing administrative patterns*. Retrieved from <https://hdl.handle.net/1887/137095>

Version: Publisher's Version

License: [Licence agreement concerning inclusion of doctoral thesis in the Institutional Repository of the University of Leiden](#)

Downloaded from: <https://hdl.handle.net/1887/137095>

Note: To cite this publication please use the final published version (if applicable).

Cover Page



Universiteit Leiden



The handle <http://hdl.handle.net/1887/137095> holds various files of this Leiden University dissertation.

Author: Heijden, M.A.J. van der

Title: Transnational networks and domestic agencies : making sense of globalizing administrative patterns

Issue Date: 2020-09-30

Chapter 4

Partner Selection and Decision-Making Uncertainty

ABSTRACT¹⁹

Recent decades have seen a rapid increase of cross-national interactions between national regulators and ministry officials from various jurisdictions. However, we know fairly little about how (public) officials operating in transnational environments decide with whom to establish and maintain close network relationships. Particularly when operating within complex environments, the number of potential partners is relatively large, while time, information processing capabilities, and resources are generally restricted. Because of this, considerable decision-making uncertainty is likely to underlie transnational collaborative choices. In response, this chapter develops a conceptual model that specifies contingencies at different levels of analysis (network-, organizational-, and individual-) and argues how they mitigate such decision-making uncertainty. To substantiate this argument, we draw on empirical material derived from 16 semi-structured interviews with Dutch (senior) public officials involved in international financial regulation. In particular, we use these interviews to illustrate the uncertainty that characterizes partner selection in complex networked environments and theorize on the specific contingencies that exacerbate or mitigate this uncertainty.

19 To be submitted to an international peer-reviewed journal.

4.1 INTRODUCTION

Recent decades have seen a rapid increase of cross-national interactions between national regulators and ministry officials from various jurisdictions. Whether one talks about regulators negotiating about banking standards in Basel (Tarullo 2008), or ministry officials preparing policy in Council working groups (Beyers and Dierckx 1998), the emerging image of administrative practice seems to be one of multiple actors and organizations that are linked to each other across national borders, often in complicated ways (Stone and Ladi 2015). The interpersonal communication networks that (public) officials establish and maintain in these settings are valuable for their home departments and agencies: they provide them with access to relevant information and resources, help them learn about potential policy problems and solutions, and create the potential for forming alliances and coalitions with like-minded partners (Alexander et al. 2011).

Besides these potential gains of collaboration, however, costs are also involved (Agranoff 2006; Feiock 2013). In particular, it can be hard for domestic officials to acquire information regarding the preferences, capabilities, and trustworthiness of potential partners (see Carpenter et al. 2003; Leifeld & Schneider 2012), particularly when such information must be acquired across national borders (Hamilton & Lubell 2018). Identifying suitable partners for transnational collaboration thus requires extensive time and effort on behalf of domestic officials, while the networking capacities and resources of their agencies are inevitably limited. Because of this, considerable uncertainty may underlie collaborative choices at the transnational level, particularly when also considering the multiplicity of venues and diverse array of actors by which transnational policy arenas are typically characterized (Ansell & Torfing 2015; Berardo & Lubell 2019). To understand transnational administrative patterns as they continue to develop (see Stone & Ladi 2015; Mastenbroek & Martinsen 2018), it is thus crucial to understand how such uncertainty affects transnational partner selection. This is the theoretical question to which this chapter turns.

At the conceptual level, uncertainty generally refers to the difficulty of predicting the future, which comes from incomplete information (see Pfeffer & Salancik 2003). Uncertainty in relation to partner selection, then refers to the difficulty of predicting how prospective partners will behave, given a lack of information about their preferences, capabilities and trustworthiness. Such uncertainty is theoretically important to consider, because it problematizes established drivers of collaboration such as preference similarity (Henry et al. 2010; Gerber et al. 2013) or perceived influence (Weible 2005; Park and Rethemeyer 2012), given the extensive

information-processing capabilities it requires from individual decision-makers (see Jones, 2001). Moreover, from a practical standpoint, such uncertainty potentially leads to suboptimal choices for domestic agencies regarding collaborative ties and the information and influence derived from them.

Important to note, however, is that the decision-making uncertainty underlying collaborative choices can also be mitigated. For instance, policy network scholars have emphasized the role that the institutional context of collaboration can play in this regard (Leifeld & Schneider 2012; Scott & Thomas 2015), and these insights are relevant for understanding patterns of transnational collaboration as well (see Keohane 2005). In particular, the working groups, task forces, or committees through which much of such collaboration occurs, present domestic officials with a clearly defined pool of potential partners with whom they have a chance to become acquainted (see also Fischer & Sciarini 2016). This reduces decision-making uncertainty regarding the selection of appropriate partners, as these institutionalized structures make information about potential partners more accessible and easier to obtain. However, despite these important advancements in theorizing about partner selection in collaborative settings, several issues require further consideration.

Firstly, although scholars increasingly find that, on average, joint participation in institutionalized settings and bilateral collaboration are correlated (Leifeld & Schneider 2012; Lubell et al. 2017), such findings tell us relatively little about the potential moderating role that the different characteristics of these settings can play. Importantly, the institutional settings through which collaboration occurs may vary considerably, for instance in terms of the number of participants, their institutional rules, or the frequency at which meetings occur (Choi & Robertson 2014; Fischer & Leifeld 2015). By extension, the degree of decision-making uncertainty underlying collaborative choices can thus also be expected to vary across institutional settings, contingent on its characteristics and the degree to which they provide policy actors with easy access to information about potential partners. However, there is currently little theoretical guidance on what characteristics are most important to consider in this regard, particularly in the context of transnational collaboration.

Secondly, besides the institutional setting, characteristics at the organizational- and individual-levels seem equally important to consider when looking at decision-making uncertainty in the context of collaborative choices. Organizations typically have different structures and resources, potentially influencing the capacity of its members to operate collaboratively (McGuire & Silvia 2010). For instance, the existence of explicit boundary-spanning roles or *internal* coordination structures likely

affect the way in which organizational members engage in collaboration (see 6 et al. 2006). Moreover, organizational members themselves differ on a number of characteristics, such as in their experience with collaborative settings or their expertise about the policy issues discussed therein (Juenke 2005; Meier & O'Toole 2010). These characteristics can similarly be expected to mitigate decision-making uncertainty underlying collaborative choices, given that they have a likely influence on the time and effort officials require when searching and evaluating collaborative partners.

To better understand the uncertainty involved in collaborative choices in a transnational context, this chapter thus studies the collaborative choices of public officials in complex networked environments, and asks the following research question: *What contingency factors at network, organizational, and individual levels potentially affect the decision-making uncertainty underlying partner choices in transnational collaborative settings?* Answering such a question helps to better understand the (theoretical) relationships between collaborative/institutional settings and the networks that exist within them (cf. Ostrom 1998; Emerson et al. 2012). Moreover, by also shifting the analytical focus to the individual officials that operate in these settings and the organizational contexts from which they do so, it provides more consideration of the cross-level factors that may be influential for collaborative choices (see Brass et al. 2004). In that sense, the goal of this chapter is *theory elaboration* (see Fisher & Aguinas 2017; Ashworth et al. 2018), in which it brings together and specifies contingency factors at different levels of analysis potentially affecting the uncertainty that domestic officials experience when choosing transnational collaborators.

Importantly, developing such a conceptual model also has practical relevance. For policy-makers involved in managing and coordinating transnational networks, it can help to develop institutional settings that facilitate collaborative behaviour on behalf of participants and the development of trust between them (see Keohane 1982; Klijn & Koppenjan 2004). In particular, given the differences between participating actors and the resources and capabilities that they have, thinking about institutional design through the lens of mitigating the decision-making uncertainty underlying collaboration can help to establish more of a level-playing field (see Hamilton & Lubell 2018). Moreover, for domestic agencies involved in increasingly complex patterns of networked collaboration, identifying contingencies at the organizational and individual-levels provides guidelines about the kind of organizational structures and routines that create capacity for their officials to “operate collaboratively” (see McGuire & Silvia 2010). This arguably helps domestic agencies to better cope with the increasingly complex transnational environments in which they have come to operate.

To substantiate this chapter's theoretical claims, it draws on semi-structured interviews with 16 Dutch (senior) public officials involved in international financial regulation. In particular, these interviews are used to illustrate what characterizes the problems of partner selection that domestic officials face in complex networked environments and theorize on the specific conditions that potentially exacerbate or mitigate these problems. This provides the basis for a conceptual model which formulates propositions on the contingency factors affecting the uncertainty underlying collaborative choices. Note that financial sector regulation presents domestic agencies with a wide variety of actors and institutions operating within a highly dense system of rules, regulatory standards, and international agreements (Frieden, 2016; Alter & Raustiala 2018). In that sense, the research context of our study is understood as a prototypical complex environment for which uncertainties underlying collaborative choices are expected to be particularly high. This gives us a research context in which the phenomenon of interest is more likely to be "transparently observable" (see Eisenhardt 1989).

Below, the research context of this study is firstly discussed, as to provide a better understanding of what transnational collaboration entails and why questions of partner selection and decision-making uncertainty are relevant to consider. Second, a separate section discusses the main theoretical framing of this chapter, by reviewing literature that has looked at partner selection in (networked) policy settings and considering the different levels at which contingency factors might occur. Third, the overall study design is provided, describing the data collection procedures and analytical strategy of this study. Fourth, the analysis of is presented, which describes the empirical material leading to a discussion that formulates propositions on the contingencies expected to affect decision-making uncertainty underlying collaborative choices. The chapter ends with a conclusion that notes the implications of the developed model and gives suggestions for future research.

4.2 RESEARCH CONTEXT

Often characterized as a natural outcome of governance frictions and economic interdependence in an increasingly complex and globalized world, transnational administrative networks have developed in diverse policy areas, such as energy, telecommunications, crime, privacy protection, human rights, international competition, and financial markets regulation (Slaughter 2004; Levi-Faur 2011). Within these networks, regulatory and ministry officials regularly interact on a face-to-face basis, often outside of the scope of direct political supervision (Raustiala 2002).

Besides sharing information and best practices, these networks are concerned with preparing policy advice or formulating and harmonizing regulatory rules and standards, aimed at guiding the conduct of member agencies.

Particularly the field of international financial regulation has seen an “alphabet soup” of international organizations and standard-setting bodies that can be characterized as (transnational) networks (Ahdieh, 2015: 76). Among them are the Basel Committee on Banking Supervision (BCBS), the Financial Action Task Force (FATF), the International Association of Insurance Supervisors (IAIS), and the International Organization of Securities Commissions (IOSCO) at the global level, as well as more institutionalized platforms at the regional level, such as the various ESA’s in the context of the EU. Within the institutionalized settings of these networks, interaction between national officials primarily occurs through the various working groups, commissions, or task forces, which carry out most of its operational work. Besides these more structured interactions, however, regulators also meet each other informally on a more ad hoc basis.

Within and around the institutionalized settings of these networked organizations, complex patterns of interaction thus exist between regulatory and ministry officials from various countries. On the one hand, these officials are connected to each other through their joint participation in one of the working groups or commissions that make up the overall structure of the transgovernmental network. Being connected in such a way simply means receiving the same group mails or periodically attending the same meetings. On the other hand, officials selectively coordinate their actions with a limited number of foreign counterparts. This is the level at which officials interact with others to exchange information, monitor and align political behaviour, and develop, communicate, and potentially implement a common plan of action (see Calanni et al. 2015; Scott and Thomas 2015). These latter patterns of interaction are the main focus of this chapter, with a specific theoretical interest in the uncertainties underlying the particular choices of domestic officials about with whom to engage in such close communication and information exchange.

Two specific types of interaction are relevant to consider in this regard. Firstly, given that decisions by transnational policy-making bodies have potentially large implications for national jurisdictions (Bach and Newman 2010; Maggetti and Gilardi 2011), national officials representing these jurisdictions have a stake in trying to influence them. To do so, these officials need to find partners from other jurisdictions with whom to coordinate their actions and exchange political-strategic information to steer decision-making into their favoured direction. Such information gives them

an idea about the positions of other actors on pending policy decisions, what future developments regarding policy issues are relevant to consider, and which potential pathways they have to try to influence them.

Secondly, network interactions between officials are assumed to also serve a more practical or instrumental purpose. Due to the technical advancements and increased economic interdependence of recent decades, regulating financial activity has become increasingly complex. The number, level of detail, and subject matter of international agreements within financial regulation has grown exponentially, complicating the external environments of national authorities (Alter and Meunier 2009). To then still fulfil policy and regulatory tasks effectively, a great amount of specialized technical knowledge is required, for instance about the magnitude of regulatory issues being addressed and the probable impacts of alternative policy decisions to solve them (Sabatier, 1978: 397). Although some of this specialized knowledge already resides within the organization, network relationships are a potentially beneficial and cost-effective way of acquiring further knowledge (see Vestlund 2017; Vantaggiato 2019).

Besides these different types of interaction relevant to transnational patterns of collaboration, several other complicating factors are also noted. Most prominently, the officials involved in these settings vary considerably in terms of their hierarchical positions, ranging from agency- or department-heads participating in the core decision-making bodies of the more important networks, to junior or senior policy advisors and experts working out technical details in one of the preparatory bodies. Transnational interactions thus play out at different levels, in different forms, and occur between a highly diverse group of officials. Below, we further discuss these issues, focussing particularly on potential drivers of collaboration as identified by the literature on policy networks and discussing them in light of decision-making uncertainty.

4.3 THEORETICAL FRAMEWORK

Partner Selection and Decision-Making Uncertainty

Given the complex patterns of interaction that exist within and around the institutionalized settings of transnational collaboration, this chapter's theoretical interest is primarily in how domestic officials operating in these environments select their collaborative contacts and the uncertainty associated with choosing these contacts. Similar to other kinds of collaborative governance settings studied in the public

administration literature (see Emerson et al. 2012), these collaborative contacts help officials to acquire relevant information and resources, help them learn about potential policy problems and solutions, and create the potential for forming alliances and coalitions with like-minded partners (Alexander et al. 2011). However, given that officials are limited in the number of collaborative contacts they can simultaneously maintain, we assume they have to be selective in choosing them.

Based on a scholarship studying policy networks, two main frameworks can be identified to better understand such choices and theorize on why policy actors typically connect to some but not others. First, a main assertion of many scholars studying interaction in policy arenas is that actors will establish contacts with like-minded actors in terms of (policy) beliefs or values (Henry et al, 2010). *Preference similarity* is thus held to be an important driver of partner selection and several scholars have provided empirical evidence for this line of argument (Weible 2005; Gerber et al. 2013). Second, scholars departing from Resource Dependence Theory (RDT) argue that policy actors will use collaborative ties to maximize one's access to (political or technical) resources (Park and Rethemeyer 2012). Actors thus seek out partners they perceive as influential or technically competent, due to their control over (or access to) critical resources such as information, technology, personnel or political clout (Henry 2011; Matti & Sandström 2011).

However, when translating these frameworks to how decision-making occurs at the individual-level, we also note that making such assessments about potential partners require considerable information-processing capabilities on behalf of network actors. For instance, explanations related to preference similarity assume a well-defined policy space in which preferences of potential partners and that of the choosing actors are known. However, for complex and newly emerging issues, this is typically not the case and actors might actually enter policy arenas to “discover” their own preferences, as well as that of others (Jones, 2001: 102). Similarly, assessing other actors' influence or technical competence is also potentially difficult when having to choose between a large number of actors that are relatively unfamiliar (Hamilton & Lubell 2018). In practice, considerable uncertainty may exist about the trustworthiness, capabilities, and preferences of potential partners, further complicating collaborative choices.

In response to these issues, policy network scholars have theorized on the ways in which institutional settings can mitigate some of this uncertainty and help facilitate collaboration. Most importantly, the joint participation in particular working groups, commissions, or task forces provide policy actors with a pool of potentially

relevant and suitable partners to choose from, helping them to minimize search costs (Leifeld & Schneider 2012; Fischer & Sciarini 2016). Moreover, regular meetings of these institutionalized venues facilitate communication between participating actors and gives them the opportunity to learn about each other's preferences. This makes decisions about the formation of network ties arguably easier as several barriers toward collaboration are taken away (Scott & Thomas 2015). In particular, for officials deciding on collaborators, such settings can mitigate decision-making uncertainty by providing easy access to information about the preferences, interests, and trustworthiness of prospective collaborators, making their future behaviours more predictable.

However, we should note that joint participation in working groups or commissions and close collaboration between actors are not synonyms. Institutionalized settings may vary in terms of the number of potential collaborators (Hertz & Leuffen 2011), their importance (Fischer & Sciarini 2016), decision rules (Choi & Robertson 2014), as well as the frequency at which meetings occur. These factors potentially raise the unfamiliarity between actors participating in similar institutional venues, and seem particularly relevant to consider for transnational settings (Hamilton & Lubell 2018). In large commissions or working groups, for instance, actors may sit across the table from one another but never interact or engage in collaborative efforts. The finding that, on average, joint participation in institutionalized settings and bilateral collaboration are correlated (Leifeld & Schneider 2012; Lubell et al. 2017), provides little evidence on the way in which these settings mitigate decision-making uncertainty, nor about what specific characteristics of these settings are most important to consider.

Moreover, besides dimensions of institutional structure, factors at the organizational- or individual-level seem equally relevant when studying decision-making uncertainty, but are rarely incorporated into studies of (the formation of) policy or administrative networks. Firstly, officials work from within a given agency structure, which likely influences their capacity to operate collaboratively (McGuire & Silvia 2010). This structure allocates work roles and largely determines the way in which organizational officials are related to the external environment (Child 1972). As Simon (1945: 79) already observed, an important function of the organization is “to place the organization members in a psychological environment that will adapt their decisions to the organization objectives, and will provide them with the information needed to make these decisions correctly”. In that sense, organizational characteristics are likely important for coping with uncertainty regarding partner

selection, as they allow for more focused and efficient information processing about the capabilities, trustworthiness, and preferences of potential partners.

Secondly, agency officials establishing and maintaining collaborative contacts likely differ in terms of their transnational experience and the informal networks they have already built up, as well their expertise regarding the issues discussed in transnational policy settings (Juenke 2005; Meier & O'Toole 2010). This means that officials also differ in terms of their capacity to perform the decision-making task of partner selection (Taylor, 1975). For instance, experienced actors typically have better mental representations of the policy spaces of the networks in which they operate, as well as a higher sensitivity toward the constellation of other actors and their interests (see Hileman & Bodin 2019). This arguably makes decision-making situations about potential partners less uncertain, as experience implicitly encodes information relevant to such decisions. Moreover, expertise on policy issues likely facilitates the more efficient processing of such information. Particular individual-level characteristics thus arguably simplify decision-making and this suggests the importance of a learning effect in selecting reliable and trustworthy partners (see Dall et al. 2012).

Overall, contingency factors at three levels of analysis are thus relevant to consider when studying decision-making regarding partner selection and its underlying uncertainty. The mechanism by which these factors can be expected to mitigate decision-making uncertainty is by providing domestic officials with easier access to information on the preferences, capabilities, and trustworthiness of potential transnational partners. Although some of these contingencies are hinted at in the above-provided discussion, many still require further elaboration. In the empirical analysis below, we further analyze the role that these and other contingency factors are likely to play in domestic officials' decisions on transnational collaboration. Then we can more clearly identify what specific contingency factors are important and theorize on how they matter for the uncertainties underlying collaborative choices. First, however, the data collection and analysis procedures are described.

4.4 OVERALL STUDY DESIGN

The presented analysis is based on qualitative research in the form of semi-structured interviews. Such a method of data collection is justified because the goal of this research is *theory elaboration* (see Lee et al. 1999; Fisher & Aguinis 2017). In other words, the consideration that institutional, organizational, and individual charac-

teristics can mitigate decision-making uncertainty regarding partner selection is a theoretical starting point of this chapter, and the analysis focuses on what these characteristics might be and how they might do so²⁰. The strength of a qualitative design then lies in the consideration that these characteristics can emerge from the data in an open-ended way. Existing concepts are thus used to collect and organize the data, particularly as input to interview guidelines and an initial coding scheme. The analysis helps to further specify these concepts and theorize on how they are related to the main outcome of interest, i.e. decision-making uncertainty regarding collaborative choices. Before we describe how this done, however, a justification of the studied cases is first provided.

Case selection and Scope Conditions

Looking at transnational collaboration patterns in the field of financial regulation is suitable for the purposes of this research for several reasons. Firstly, national agencies within this sector typically operate in a wide variety of transnational policy settings, both at the regional and global levels, as well as in various degrees of institutionalization (Brummer 2011; Newman & Zaring 2013). This means that there is a lot of variation in terms of the institutional settings in which interviewed respondents operate, allowing us to compare and collect data on the importance of different characteristics of these settings.

Secondly, the Dutch context is suitable given that it allows for comparison between three different organizations involved in transnational regulation and policy-making, while the nature of the collaboration in which they engage is largely held constant. The ministerial department mainly does transnational policy work in the context of the EU, but is also involved in global platforms such as the FSB. Moreover, given the twin peaks model of supervision that exists within the Netherlands, responsibilities for financial sector regulation are split between two separate agencies, with the AFM responsible for securities regulation, and DNB responsible for banking, insur-

20 As noted in the introduction chapter, this form of theory elaboration is referred to as *construct splitting* in which existing theoretical constructs are split into specific dimensions based on qualitative data (see Fisher & Aguinas, 2017: 446).

ance, and pensions regulation (DNB)²¹. This allows for comparing officials engaged in transnational network activities within three different organizational contexts.

Data Collection & Analysis

In the period between April and June 2017, face-to-face interviews were conducted with 16 Dutch officials involved in international financial policy and regulation. These respondents occupied different positions in the regulatory policy departments at either the Dutch Ministry of Finance (n=4), DNB (Dutch Central Bank) (n=7), or AFM (Securities Regulator) (n=5)²². The one common denominator of these respondents is that they were all heavily involved with international networks, at either (or both) the European or global level. The respondents were identified through a combination of snowball and purposeful sampling, in which heads of departments were firstly approached for an interview. These heads of departments were asked to identify different individuals in the organization involved in the different networked settings in which the agency or ministry engaged. Maximum variation in terms of networked settings was thus an important criterion for identifying the different respondents.

Drawing on a topic list, these respondents were interviewed (45 minutes on average) by the author in a semi-structured fashion. Topics discussed in the interviews were – inter alia – the kinds of international platforms in which they participate, how they prepare for international meetings, who their contacts are, what channels they use to influence the international regulatory process, and how they went about selecting partners and for what reasons. *Grand tour questions* were asked about what a typical preparation for international meetings looks like (Leech 2002), as well as example questions about issues discussed in international meetings. Moreover, explicit probing was carried out for the way in which the respondents identify potential collaborators and what the difficulties are in this regard. The interview guide is provided in the Appendix A.

21 For regulatory matters, DNB primarily participates in CPSS (payment & settlement), IAIS (insurance), IOPS (pensions), BCBS (banking), BIS (banking), Joint Forum (general finance), OECD (WG's on insurance and pensions), IMF, PPSC (payment & settlement), EBA (banking), EIOPA (insurance & pensions), SSM (banking), and ESRB (together with AFM). The AFM participates in IOSCO (securities), IFIAR (accountancy), FinCoNet (consumer protection), ESMA (securities), ESRB (together with DNB), CEAOB (accountancy), and OECD working groups. The transnational activities of the ministry primarily focus on the EU, e.g. Council Working Groups and the ECOFIN, but also operate at the global level in platforms such as the FSB.

22 In particular, we focussed on specific departments within these organizations most involved with regulatory policy. For the Ministry of Finance, this was the department Financial Markets, for AFM, the department Strategy, Policy, and International Affairs, and for DNB, the department Supervision Policy.

To analyse the interviews more systematically, the recordings were transcribed and analysed through a process of coding. Three steps were involved in moving from the raw interview transcripts to further theorizing on decision-making uncertainty and partner selection. Firstly, *topic* coding was used to identify passages relevant to decision-making uncertainty regarding partner selection (see Richards, 2015: 110). These passages typically hinted at the time and effort needed for making contact and identifying preferences, capabilities, and trustworthiness of other actors. Secondly, passages describing institutional-, organizational-, and individual-level characteristics were identified and categorized according to the level at which they belonged. This gave a selection and initial ordering of interview passages relevant to the theoretical question of interest.

As a second step, this collection of passages was then reviewed as to develop analytical categories (Richards, 2015: 110-112). This *analytical* coding was used to interpret and further select passages categorized under different levels of characteristics, particularly assessing which of these passages were relevant for decision-making uncertainty underlying collaborative choices. Moreover, at this stage more specific codes were attached to the passages as to signify specific characteristics (see Fisher & Aguinas 2017), such as “network size” at the institutional level, or “international experience” at the individual level.

Lastly, the identified categories were related to the existing literature on collaboration and decision-making as to signify their meaning, and to formulate specific propositions on how the identified characteristics were important for decision-making uncertainty underlying partner choices. For this last step, the identified categories were primarily evaluated in terms of their likely effect on the time and effort needed to identify information about potential partner and their preferences, capabilities and reliability (the core mechanism identified in the theoretical framework). This theoretical interpretation of the interview passages leads to the conceptual model developed in the discussion section of this chapter.

4.5 ANALYSIS

As a precondition to identifying characteristics affecting the decision-making uncertainty underlying collaborative choices, a first step is to establish that such uncertainty is actually an issue for the respondents of this study. This is what is done in the next section. Then separate sections present empirical material pointing to

the importance of particular characteristics at three different levels of analysis (i.e., the network-, organizational-, individual-levels).

The Problem of Partner Selection

From the interviews, the need for transnational collaboration quickly becomes clear. In particular, given that the substance of rules and regulations that flow from international arenas can differ considerably from the rules and regulations that they currently have in place, national authorities will have a stake in influencing them. However, doing so is a rather burdensome task and requires them to devote considerable resources, both in terms of time, staff and travel expenses. This means regulators will have to prioritize, assessing what standards at what venues are (or become) potentially important for their own jurisdiction. Moreover, given that domestic officials are unlikely to be influential going at it alone, they will have to seek out partners that share similar stakes or interests in order to shift discussions in these international fora in a - to them- favourable direction.

Because of this, established drivers of collaboration such as preference similarity and perceived influence play an important role in officials' motivations for collaborating with certain partners. Respondents frequently talk about their "natural partners", whom they know think about certain issues the same way. As one regulator stated, *"if there's an important issue, for us, coming up, for which we know there will be a lot of difference of opinion, we try to mail, call with similarly-minded countries, to see how we can best go into such a meeting"* [R4]. Similarly for perceived influence, many respondents expressed a preference for working with the "big countries", that are influential and resourceful. In discussing collaborative partners one respondent noted: *"you know, these nine countries, why did we choose them.. [because] they are all big, semi-big [countries]. I mean, the small ones... they just don't have the capacity"* [R6].

However, identifying these preferences and capabilities of actors is not as straightforward as it sounds. Given the wide variety of different topics that are dealt with in financial regulation, the cards are constantly being reshuffled for every new topic or issues that national officials have to deal with. Although respondents typically talk about "natural partners" with whom they share similar interests, they are quick to emphasize that *"your natural partners differ per topic"*. A senior regulator noted that *"for me, it is not really the case that you have a fixed group [...] you really have to search your coalition depending on the topic"* [R3]. Moreover, given the fast developments and innovations in international finance, regulators are also often confronted with topics on which they have not yet formed a position. As one regulatory official noted in preparing an international meeting with an extensive agenda, *"it is our role, given*

these 25 points, to ask, how important is this [for us],, what is the constellation of power,, do we have a chance?" [R5].

As a consequence, the search for suitable partners can be rather complex and uncertain. For each new issue, you will have to find out what the policy positions of other network participants are. Moreover, you have to know which potential partners actually want to collaborate, whether they are trustworthy, and which ones are capable enough to reciprocate your own efforts. This information about other actors is not always clear, nor are all other network participants equally approachable. As one senior regulator remarked, *"if you're in a project group, then you have really active countries, that are just involved. Some countries are not very active in the project group and you have to reach them at a different level"* [R4]. In terms of approaching collaborators, another agency official noted: *"most big countries have a separate desk, a [network-X] desk that you can contact... I also once sent an email to [a smaller agency], to ask who did the coordination [of network-X].. It turned out to be director himself. So that complicates things"* [R5].

Besides the difficulties in identifying or reaching particular partners, the trustworthiness of others is sometimes also difficult to assess. In the interviews, several respondents complained about collaborators who are "indirect" in their communications or even "unreliable". In discussing potential partners for collaboration, one senior regulator noted how, *"with the guys from [country X] I just communicate better, with [regulators from country y] it always stays with niceties, but... what do you really think"* [R3]. Similarly, a ministry official remarked after striking a deal with a foreign counterpart: *"with them, you're never completely certain, whether you're being played with, let me put it that way"* [R16]. In that sense, risk of defection always remains an issue.

Given these considerations, domestic officials will suffer considerable search costs in finding suitable transnational partners, as information about others' capabilities, reliability and motives is typically imperfect. Overall, dealing with decision-making uncertainty underlying collaborative choices is thus an important issue for domestic officials engaged in transnational collaboration.

Institutional Settings

The above-described issues problematize the selection of transnational partners for domestic officials. However, as already argued in the theoretical framework, the institutionalized settings through which transnational collaboration occurs, can help to mitigate some of these problems, particularly in terms of dealing with the decision-making uncertainty underlying collaborative choices. The interviews

provide extensive anecdotal evidence for this consideration. As one senior official noted in discussing the way in which he contacts collaborators, “[...], usually you speak with the people from your committee, that is your first point of reference. You know them, you experience them in meetings, you sometimes have had dinners with them. Those are the people with whom you have had the most contact.. so you’ll speak with them first” [R3]. The working groups, commissions, task forces in which domestic officials participate thus help them to delineate their choice set of potential partners. Moreover, through the interaction occurring within these groups, they can become acquainted with them, providing a low-cost strategy to identify and select appropriate partners.

Notably, institutionalized settings fulfil such a mitigating role for both political and technical information exchange. For political-strategic information exchange, one regulatory official described how in looking for potential partners, “you look for a coalition with people of whom you know they have similar ideas, and there is only one way to find that out, and that is to make sure you’re in those groups” [R6]. Similarly, for identifying partners with whom to exchange technical information, a securities regulator noted how in the transnational sessions in which he participates, “it becomes more clear what issues are prevalent for different countries. After such as session you can determine, wait.. I have to contact colleagues in Spain or colleagues in Brazil, because they also have problems with their mortgage markets, or whatever” [R11]. Overall, the institutional settings of transnational networks thus provide an important context to collaboration choices.

However, the interviews also demonstrated that these institutional settings vary considerably in terms of their characteristics. Firstly, respondents note how some groups in which they participate only meet two or three times a year, while others do so on a more frequent basis. This *frequency of interaction* is obviously important for how often actors see each other face-to-face and have a chance to become acquainted. In reflecting on his participation in both European and global institutions, one senior regulator noted that “the frequency and intensity in Europe is much higher. So you meet more often and more intensively within Europe than [...] globally. This means you know each other better, are more familiar with their systems. You know more.” [R2]. Similarly, another regulator remarked about a working group that meets relatively frequently: “the advantage of those working groups is, you meet each other multiple times a year. [...] So, if you’re a bit pro-active, within half a year [...] you’ve spoken with everyone in one way or another” [R7].

Secondly, respondents reported a large variety in terms of the number of participants of the working groups, commissions, boards, and task forces in which they participated. While some talked about groups in which only 7 other people participated,

others mentioned numbers up to 30 or more. An obvious consequence from this variation in *group size* is that it determines the time and effort you have to devote to getting to know the others within your group. This leads to selective behaviour on behalf of domestic officials about whom to contact as transnational collaborators. As one regulator mentioned about identifying partners with similar preferences in a relatively big group, *“it’s not that I’m going to call all 28, definitely not... You call, with whom you expect you’ll have the biggest chance that it will work”* [R8]. Similarly, a ministry official noted that *“after a while, you recognize the most important faces. But of course it’s a big group, 28 countries”* [R16].

Thirdly, respondents also report how the *decision rules* of the institutionalized settings in which they participate are important for the way in which they make collaborative choices. In particular, the decision rules within a group determine the degree to which actors can be selective in collaborative choices, or also need information on all other co-participants. As one ministry official noted in reflecting about his partner selection strategy, *“some topics go by unanimity, then you get different kinds of negotiations.... Other negotiations go by QMV, then you see much stronger, I mean, everyone can count how many votes a country represents, and then you can count [...] do I have a blocking minority or not ”*[R15]. Another regulatory official described an instance in which the members of his working group had to reach consensus on a set of recommendations, in which *“it was an intensive process to get everyone on the same line. So it costs quite a lot of time and lot of diplomacy skills and negotiations to eventually get a version that we could back but also the others[...] It was intensive in the sense that we had different conference calls, write different versions, constantly adjusts things, make a new versions, ask reactions, process reactions, or not, [...] So, there was a whole process beforehand”* [R12].

Organizational Characteristics

Besides contingencies at the network-level, it should be noted that organizational settings also matter for the way in which domestic officials operate collaboratively. For transnational collaboration in general, the differences between ministries and agencies are interesting to consider, particularly given that ministry officials typically work with more formalized positions due to the BNC-fiche procedure²³. However, for gathering information on potential collaborators, the way in which transnational network activities are internally structured and coordinated is particularly crucial.

23 BNC stands for ‘Beoordeling Nieuwe Commissievoorstellen’ (Assessment New Commission Proposals), which is a document in which the government assesses new proposals coming from the European Commission. The initial draft is written by civil servants, but it has to be formally approved by the (national) Council of Ministers.

Firstly, the existence of specific units or roles focusing on the strategic aspects and coordination of transnational activities stands out. Both regulatory agencies had special teams of coordinators overseeing transnational interactions that served as *“the internal and external point of contact for all matters related to [network X]”* [R8]. These units have the time and resources to think more clearly about the strategic dimensions of transnational collaboration. Moreover, by assisting or advising experts from other units when engaging in transnational activities, they also help other officials that arguably have less time to do so. As one regulatory official fulfilling such a coordinative role noted, *“in these [preparatory] meetings, possibly we walk through the agenda of the committee in which someone partakes. Just to see, what’s there, what are the issues... Also, to get a sense of, how is it going, what is the structure, what is the vibe, who are the natural allies”* [R8].

Moreover, officials fulfilling these coordinative functions typically also play an important role in the team-based structures that the studied organizations have in place to prepare international meetings. As one ministry official described, *“People always coordinate their input beforehand. So say they go to Brussel, there is an agenda, and they will always say, this and this is on the agenda, these are our interventions, or we will take these positions.. so that I can, before they go, say whether I agree or not, or whether it needs to be different. So that I can do a check,... this indeed is in line with what our position actually is”* [R14]. Similarly, a regulatory official noted: *“At some point, an agenda is released. And I have arranged with the experts that once this agenda is there, the expert plans a meeting.. With me, and possibly also with other colleagues within AFM [...] to get together and walk through the agenda.. And then I can give some generic input”* [R9]. Such structures thus allow for the pooling of expertise and network capacities. The sharing of business cards of potential collaborators or introducing colleagues to your informal network are important other examples in this regard.

Secondly, the number of venues in which domestic agencies or ministries participate is important to consider. Respondents of all three organizations carefully reflect on how their organizations have to prioritize in the working groups, task forces, and committees in which they participate, pointing to the “scarce resources” or “resource-restrictions” they have to deal with. Moreover, interviewed respondents point to the consideration that if they actually want to be influential in these venues, considerable time and resources are required. As one banking regulator noted, *“if there are points that you think are important, experience teaches that, if you want to be effective to bring in these points, it takes a lot of time and energy. It’s more than just going to the meetings and making your argument. If you want to be effective, you have to lobby. So, then there’s a lot more to it”* [R3]. Because of this, several regulatory officials noted how different

levels of engagement are considered for each working group, task force, or committee that constitute the transnational institutional environment, ranging from not participating at all or only being an “email-member”, to actively “writing” or even trying to become “chair”. Eventually, the limited time and resources that agencies have, needs to be distributed across a large number of venues. The more venues in which agencies participate, the fewer time and resources for each venue they have.

Thirdly, formalization and standard operating procedures that exist within organizations are important for the way in which domestic officials engage in transnational collaboration. Respondents point to the formalized process by which they report on international meetings, and how this has a function in the preparation of future meetings. As one regulatory official described, *“of all meetings a report is made, and that is shared with the relevant colleagues, and that is usually then, on the one hand the report, and others hand the contribution of the experts.... together that is the input for the next rounds. So in that sense, it is an iterative process”* [R7]. Similarly, a ministry official noted how, *“for meetings that officials go to themselves, they have to write reports. And those are saved and that’s basically the archive. And it is always convenient to know, what has been said, and sometimes you need them again, because you cannot remember it all”* [R16]. Importantly, this stored information can be accessed by organizational members when preparing international meetings, even if they were not involved in previous interactions.

Individual Characteristics

At the individual-level, several contingencies are also noted. A first point to consider in this regard is the importance of the *international experience* that officials have in terms of transnational collaboration. Some respondents talk about *“being used to conducting business internationally”* or having to learn how *“everything works internationally”*. Moreover, the contacts you know from one setting can also be important for other settings, particularly when participating in a new working group for the first time. As one regulatory official remarked about establishing contact with foreign counterparts, *“If you’ve been doing this for a while, you run into international colleagues in these working groups... who you know from other working groups. So that helps”* [R7]. Moreover, such experience is crucial for lowering barriers to cooperate, as it allows you to rely more on the informal networks you have built in the past. As one official noted, *“if you have a case that crosses borders, and you have to collaborate, it just helps if you already know someone informally, once had a dinner, or already collaborated with someone during a meeting”* [R12].

Secondly, the *expertise* of officials is noteworthy, particularly given the highly technical policy discussions in which interviewed respondents often engage. As one

regulator noted, “*all of a sudden you are in these policy discussions and it is really hard to see where you are exactly and what you think [about an issue.]... Over time it gets better*” [R7]. Similarly, a ministry official mentioned that “*this area is eventually just very complex, and within our department, my division is also the most technical one... and there is a lot of issues... If you’re new in such an area, you really have to invest in it a lot at the beginning*” [R14]. Although these quotes point to the important mitigating effect that experience is likely to have, it is clear that for highly specialized policy discussions it is potentially harder to evaluate your own (policy) position, as well as that of others. This inevitably complicates transnational collaboration, making the specialized expertise of officials engaging in such collaboration more important to consider.

Lastly, the interviews pointed to the consideration that domestic officials vary on the *available hours* they have for transnational network activities in general and preparation of international meetings in particular. For many respondents, participating in transnational networks is a duty they have *besides* the other core tasks or functions for which they are responsible, while preparing international meetings can take a lot of time. As one ministry official remarked, “*on average, I already lose one day [a week] just calling the different counterparts. And then you also need another day just reading the underlying documents*” [R13]. Such intensive preparation is problematic for officials that do not have such time available. As one regulatory official noted “*On average, I try to devote half a day a week, to this work. It would be good to devote much more work into this*” [R5]. Another regulatory official noted that preparing international meetings simply requires “*a lot of talking on the phone, a lot of conference calls. Ideally you would also meet each other face-to-face, but that isn’t always doable. It just takes too much time*” [R12].

4.6 DISCUSSION

The above-provided empirical materials illustrate the way in which several characteristics at different levels of analysis matter for transnational collaboration. Below, we theorize more concretely on how these characteristics matter for decision-making uncertainty in particular, i.e., by explicitly relating them to the way in which domestic officials acquire information about the preferences, capabilities and trustworthiness of potential partners. Through incorporating literature on collaborative governance and organizational decision-making, the theoretical relevance of the identified characteristics are further clarified and a more specific theoretical model on the way in which they affect uncertainty underlying collaborative choices can be developed. In this model, these characteristics are labelled as contingency factors, given that they are likely to vary from context to context, in that way influencing

the degree of decision-making uncertainty underlying collaborative choices (cf. Oliver 1990).

Institutional Characteristics and Decision-Making Uncertainty

Firstly, at the network-level, the importance of the *frequency of meetings* within institutionalized settings was noted. Within organizational theory, the relationship between frequency of interaction or prior ties and the development of trust is well-established (Burt & Knez 1993; Ring & Van de Ven 1994; Vangen & Huxham 2003). Similarly, for transnational collaboration, participating in the same working groups gives officials a chance to become acquainted and develop trust relationships, mitigating uncertainty about collaborative partners. However, if the groups in which domestic officials participate meet relatively infrequently, there is less chance for face-to-face interaction and to become acquainted with co-participants. In these instances, information about the preferences, capabilities, and trustworthiness of potential partners is likely to be restricted, creating considerable decision-making uncertainty. This reasoning leads to the expectation that:

P1: The higher the frequency of meetings within institutionalized settings, the lower the decision-making uncertainty underlying collaborative choices.

Secondly, the *size of groups* that come together within collaborative settings is important to consider. As noted by Hamilton and Lubell (2018), joint participation in working groups or commissions does not ensure that participants actually interact. Particularly when these groups have a large number of participants, the chances of interaction between two particular members decrease (see also Fischer & Leifeld 2015). Network scholars have also extensively reported on how with each additional network participant the number of potential connections increases exponentially (see Borgatti et al. 2009), making these institutionalized settings more difficult to manage and further complicating patterns of communication. These considerations are important for the uncertainty underlying collaborative choices, as it means that more information is required on a larger number of co-participants. Given that the time and effort that domestic officials can put into acquiring such information is inevitably restricted, a larger group size means that choices about collaborative partners will inevitably be characterized by higher degrees of uncertainty. This leads to the expectation that:

P2: The larger the groups in institutionalized settings, the higher the decision-making uncertainty underlying collaborative choices.

Thirdly, *decision rules* also have a clear role in shaping and constraining the deliberation and decision processes within institutionalized settings (see Choi & Robertson 2014; Fischer & Leifeld 2015). The crucial divide here is between the use of unanimity or majority rules to achieve decision-making. To some extent, majority rules simplify partner selection because domestic officials can focus their attention on a limited number of actors, while others can be ignored. With consensual decision-making, on other hand, also less familiar actors have to be involved. Moreover, actors with more extreme positions have to be facilitated (see Miller 1985). This arguably increases the uncertainties underlying collaborative choices, as more information is needed on a larger number of actors. Moreover, additional time and effort are required in gathering such information from actors that are relatively unfamiliar. From these considerations, it follows that:

P3: *The larger the majority needed for making decisions within institutionalized settings, the higher the decision-making uncertainty underlying collaborative choices.*

Organizational Characteristics and Decision-Making Uncertainty

At the *organizational* level, the ways in which the coordination of transnational activities are structured within the studied agencies is important to consider. What stands out in particular, is the existence of functionally specialized units or *boundary-spanning roles* overseeing and coordinating transnational network activities (see Aldrich & Herker 1977). Such boundary-spanning units are traditionally seen as an important way for organizations to cope with environmental uncertainty (Thompson 1967), and fulfil a similar role for domestic actors engaging in transnational network activities. Officials within such roles or units have the time and resources to strategize on transnational networked environments, using this information to identify appropriate partners and advise others within the organization. Moreover, the team-based structures through which international meetings are prepared, lets officials pool their attentional capacities and expertise (see Ocasio 2011). In that sense, internal structures help to mitigate decision-making uncertainty regarding partner selection, primarily through a more efficient way of processing information on potential partners and their preferences, interests, and capabilities (see also Bendor 2010). This leads to the expectation that:

P4: *The more explicit transnational boundary-spanning units/functions domestic actors have, the lower the decision-making uncertainty underlying collaborative choices.*

Secondly, given the limited capacities and resources with which public agencies typically operate, the *number of venues* in which they participate is crucial to consider.

This number determines the amount of time and resources an agency has for each particular venue, making venue shopping and issue prioritization an important consideration for transnational collaboration (see also Weible 2005). In particular, agencies participating in many venues typically have less time to spend on establishing and maintaining collaborative ties *within* these venues. Participating in fewer venues, on the other hand, allow agencies to focus their attention, although it may mean they are not able to address all of their policy goals (see Hileman & Bodin 2019). Overall, however, a reasonable expectation is that the more venues an agency participates in, the more diverse the array of actors is with whom they can collaborate, and the more extensive the information needed to collaborate with these actors. This arguably raises uncertainty regarding collaborative choices, leading to the expectation that:

P5: *The larger the number of venues in which domestic actors participate, the higher the decision-making uncertainty underlying collaborative choices.*

Thirdly, formal reporting requirements regarding transnational network activities are important to take into account. In particular, the extensive backlogs and reports of international meetings and activities create organizational memory through which (strategic) information regarding previous interactions is stored (Schilke & Cook 2013). This information can be accessed by organizational members when preparing international meetings, even if they were not involved in previous interactions. These standard operating procedures in reporting about transnational activities thus encode (transnational) experiences that help guide organizational behaviour (Levitt & March 1988; Moynihan 2008). In particular, by providing information on the preferences and actions of others in previous meetings, such formalized reports mitigate decision-making uncertainty regarding partner selection when preparing new meetings. This reasoning translates to the proposition that:

P6: *The more formalized reporting duties domestic actors have about transnational activities, the lower the decision-making uncertainty underlying collaborative choices.*

Individual Characteristics and Decision-Making Uncertainty

At the *individual* level, a first prominent factor to consider is the *international experience* of domestic officials that represent agencies and ministries in transnational environments. Through such experience, domestic officials can resort to the informal ties they have built up in the past. Particularly within organizational research, such prior ties are emphasized as an important way in which uncertainty about future interactions can be mitigated (see Gulati 1995; McEviley et al. 2003). Similarly, in

transnational collaboration, actors acquire information from their past interactions and resort to this information when considering future collaborations. In addition, with experience, actors develop networking skills and gain an overview of the complex institutional environments in which they find themselves (see Juenke 2005; Meier & O'Toole 2010). Arguably, this makes it easier to acquire and interpret information about collaborative partners, leading to the expectation that:

P7: The more experience domestic actors have with transnational network activities, the lower the decision-making uncertainty underlying collaborative choices.

Secondly, the importance of *expertise* is also crucial to consider when thinking about decision-making uncertainties regarding partner selection. Empirically, expertise has been shown to be an important factor in decision-making, particularly in terms of information-processing (Day & Lord 1992) and search behaviour (Newell & Simon 1972). For decisions regarding partner selection, this is also an important consideration, given that domestic officials representing the agency or ministry in networked environments typically do so in highly technical policy discussions. Arguably, this makes it more difficult to evaluate one's own (policy) position on newly emerging issues, as well as those of others. In that sense, specialized expertise is crucial to consider, as it allows domestic officials to more effectively process information regarding potential partners and their policy positions. However, important to note is that while such expertise may mitigate uncertainty *within* a particular policy settings, officials with generalist knowledge are more widely deployable. In that sense, this latter form of knowledge mitigates uncertainty *across* settings. Overall, however, the proposition can be formulated that:

P8: The more specialized expertise domestic actors have when engaging in transnational network activities, the lower the decision-making uncertainty underlying collaborative choices.

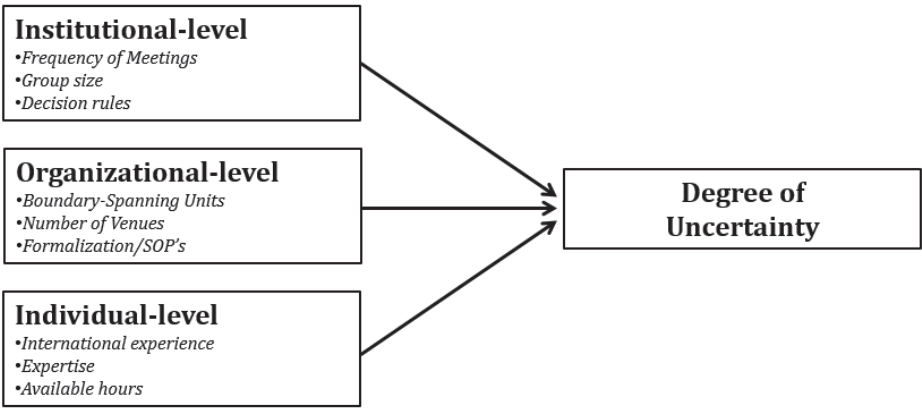
Thirdly, the *number of hours* that domestic officials can devote to transnational network activities is an important consideration. Scholars studying the effects of time availability on decision-making primarily note its importance in terms of the number of alternatives considered (Bluedorn & Denhardt 1988). More hours means the ability to acquire more information about other actors in the network, and less uncertainty when deciding about with whom to collaborate more closely. Although network models looking at tie formation in policy network settings implicitly assume actors to have the time to understand their own preferences, acquire those of others, and carefully select partners from there (see Berardo & Scholz 2010), this time availability is likely to vary considerably depending on the number of (other)

tasks officials have within their home organizations. Based on this variation, we can also expect the uncertainties underlying collaborative choices to vary. From this, it follows that:

P9: The more hours domestic officials can devote to transnational network activities, the lower the decision-making uncertainty underlying collaborative choices.

Overall, contingency factors at different levels of analysis may thus influence the degree to which the decision-making situations surrounding partner selection are characterized by high or low degrees of uncertainty. Importantly, all of the identified factors do so through the mechanism of providing easy access to information on the preferences capabilities, and trustworthiness of potential partners. This unifying mechanism allows us to specify an overall conceptual model in which the formulated propositions are brought together (see Figure 4.1).

FIGURE 4.1 Conceptual Model Decision-Making Uncertainty and Partner Selection



4.7 CONCLUSION

Transnational policy settings are characterized by complex webs of linkages between a large numbers of actors (Newman & Zaring 2013; Stone & Ladi 2015). Within these settings, domestic officials have to choose appropriate partners with whom to collaborate and exchange information, as to achieve policy goals important to their home agencies and departments. However, given that at a transnational scale, the pool of potential partners is large and relatively unfamiliar (see Hamilton & Lubell 2018), considerable decision-making uncertainty may underlie these collaborative choices. Based on interviews with domestic officials operating in a prototypical

complex environment, i.e. financial-sector regulation, this chapter analyzed how some of this uncertainty is potentially mitigated and developed a conceptual model incorporating contingency factors at different levels of analysis.

By developing such a model, this chapter provides a better theoretical understanding of the cross-level factors likely affecting collaborative behaviour. The institutional settings of networked collaboration have an important function in engendering familiarity among actors and building trust between them (e.g., by facilitating more frequent interactions within a given venue) (see Hamilton & Lubell 2018). However, as this chapter demonstrates, individual and organizational level factors should also be considered. At least in part, we can assume the skills and abilities of individual officials and the administrative capacity of an organization to contribute to (the capacity for) collaborative outcomes as well (McGuire & Silvia 2010), particularly when considering the uncertainties underlying transnational collaboration. Integrating these factors at different levels of analysis into a single model, helps us think more clearly about the decision-making problems that confront an increasingly large number of public and regulatory officials that have come to operate outside the boundaries of domestic bureaucratic structures (see Stone & Ladi 2015; Knill & Bauer 2018), while also providing ideas on how such problems may be mitigated.

Through this latter point, the practical relevance of the developed model also becomes clear, as it points to several strategic choices that domestic agencies can make when engaging with transnational networked environments. A primary concern here is that these agencies have to create the conditions through which their officials can cope with the uncertainties emerging from complex transnational settings. On the one hand, this means having appropriate (organizational) structures in place that allow officials to adequately acquire and process relevant information and focus their attention to relevant aspects of their task environments. On the other hand, it means making adequate strategic choices given the limited time and resources with which agencies typically operate, such as appropriately prioritizing relevant venues and limiting staff turnover as to enable officials to develop (transnational) experience and expertise. In this way, agencies can help their officials to better cope with the uncertainties that they are likely to encounter when collaborating transnationally.

Besides these points of theoretical and practical relevance, however, several issues still require further consideration. Firstly, it should be noted that many of the contingencies identified at the organizational- and individual-levels are likely a function of the resources and capacities that agencies have. This also means that the

more complex transnational administrative patterns become, the more the big and resourceful agencies are likely to profit. After all, they have the capacity to process the vast amounts of information flowing down from transnational policy arenas and best strategize on how to influence policy processes and decision-making. The increasing complexity of transnational environments creates a greater scope for strategic behaviour and those with greater capacity to act strategically are likely to benefit most in this regard, steering “collaborative” outcomes into their favored direction (see also Drezner 2013).

Secondly, we should further consider the behavioural implications of operating under conditions uncertainty. The developed conceptual model implies that there will also be circumstances in which domestic officials will be confronted with high levels of uncertainty, while making a particular decision is still required. A core insight from scholars studying individual decision-making, is that such uncertainty typically leads to selective information-processing and the use decision-making heuristics (see Simon 1985; Jones 2001; Vis 2019). What these heuristics are for the context of partner selection is an important agenda for future research. In other words, we should open up the analytical possibility that, besides the strategic or rational modes of decision-making that most theoretical models regarding tie formation imply (see Berardo & Scholz 2010), such decisions are made in different ways, potentially reflecting an unthinking reliance on past strategies, or even becoming spontaneous with little reference to potential losses or gains (Jones et al., 2006: 44; see also Walgrave & Dejaeghere 2017)

Thirdly, as complex patterns of interaction continue to develop, we should think more clearly about aspects of organizational structure and design and the ways in which they allow domestic officials to better operate in relational modes. To emphasize once more, an important function of the organization “is to place the organization members in a psychological environment that will adapt their decisions to the organization objectives, and will provide them with the information needed to make these decisions correctly” (Simon, 1945: 79). By coordinating the activities of many individuals, each with partial and incomplete knowledge, organizations thus allow decision-makers to overcome many of their individual limitations (Jones, 2001: 131). Its rules tell people how decisions are made, how authority is allocated, and how they are to relate to other members of the organization. In the face of complexity, organizational mechanisms can then achieve some form of stability (McGuire & Silvia, 2010: 280-281; Thompson 1967). As globalizing administrative patterns continue to develop, such mechanisms will become increasingly important and should be explored further.

