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The practice implications of interorganizational theory for services integration

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ABSTRACT

The interorganizational theories of Litwak and Rothman and Levine and White are utilized to suggest the need for practitioners, involved in services integration efforts, to consider the situational variables of size, resources, awareness of interdependence, and type of task exchanged. The effect of these variables upon the formality and autonomy of linkage mechanisms between human service agencies is illustrated in terms of a regional services integration project in Minnesota. Implications are presented for practitioners who are attempting to coordinate services.

Services integration has been a focus of current attempts to reform the human service delivery system in over 20 states. However, it is increasingly evident that services integration is not a cure-all and that knowledge is generally lacking about which coordinating mechanisms are most effective. One difficulty has been that practitioners have often attempted to implement the concept of services integration without utilizing adequate planning or social science research to identify the situational variables that affect interagency coordination. While HEW has examined the effect of the environment, the project objectives, the director, and the staff on the success of services integration, the impact of structural factors on ways to integrate services has not been adequately analyzed.

Interorganizational theories, which indicate how two or more formal organizations relate to each other, can be useful in assessing the structural variables that affect the problems and the potential of cooperation among agencies. Likewise, a multifactor analysis of interorganizational networks can aid practitioners in predicting the most effective ways for organizations to link with each other. In particular, the interorganizational research of Litwak and Rothman and Levine and White suggest guidelines for the practitioner. Levine and White state that cooperation between human service agencies is essential, given scarce resources; however, domain consensus, or agreement upon the agencies' goals and functions, is a prerequisite to cooperative exchange. Litwak and Rothman differentiate eight types of coordinating technologies among organizations and factors governing the
adoption of each linkage mechanism. They distinguish ad hoc, informal contacts as well as formal linkages, such as rules, community councils, or interagency boards, as effective ways to coordinate. Litwak and Rothman found that the extent of formality and of autonomy of any linkage mechanism varies with the situational variables of agency size and number, the degree of agency awareness of interdependence, and the standardization of the element being coordinated among the organizations.

By drawing upon the work of Litwak and Rothman and Levine and White, this article attempts to begin to bridge a gap between interorganizational theory and services integration practices. Throughout this article, the HEW definition of services integration will be used:

the linking together by various means of the services of two or more service providers to allow treatment of an individual's or family's needs in a more coordinated and comprehensive manner.

Since both Litwak and Rothman's and Levine and White's theories assume the desirability of organizations that are semi-autonomous and partially interdependent, the concept of a confederation is first presented. The effect of the situational variables of size, awareness, and standardization upon the formality and autonomy of coordinating linkages in a regional integration project in Minnesota is then assessed.

Confederation of Semi-autonomous Agencies:

Several states, concerned with efficiency and accountability, have operationalized services integration by organizing separate departments into a single administrative unit or "umbrella agency". Critics of such efforts contend that services integration creates centralized superagencies, thus eliminating the flexibility of decentralized services, and promotes efficiency, thus sacrificing the consumer's freedom of choice. Likewise, service providers tend to resist services integration, fearful that it will eliminate their discretion and autonomy toward clients. Thus, a critical issue is achieving a balance between the isolation and the integration of human service agencies.

In contrast to a unitary system approach, Litwak and Rothman's theory points to the creation of a confederation of semi-autonomous agencies. The confederation approach recognizes that human service agencies are independent in some areas and have their own characteristic power base, funding source, and locational identity; however, agencies are oftentimes interdependent for obtaining information, clients, staff, or funds; they are thus partially interdependent and need to cooperate for each to attain its own goals.

Accordingly, maintaining some distance between formal organizations, rather than having them cooperate too closely or merge, may be desirable. The concept of distance is basic to a confederation and has implications for practitioners who face financial or legislative pressures to consolidate services. In the confederation approach, the two extremes of a merged unitary system or of complete independence among organizations are viewed as ineffective. Since our society values democratic decision-making...
processes and a "marketing" approach toward services, not only efficiency, then the human service system must allow some consumer choice and flexible decentralized services, while also improving service accessibility and continuity. In other words, agencies need to maintain their unique identity, goals, and means, while nevertheless coordinating in some limited areas.

A confederation allows pluralism and some conflict or competition among agencies, rather than attempting to set a single goal or sharp priorities among service providers. For example, within a confederative context, both social action and direct service agencies or youth probation and law enforcement pursue their goals, but link in areas which do not threaten their autonomy. Thus a confederation does not eliminate consumer choice, but creates what Rein terms purposeful duplication.6

Likewise, the confederative approach recognizes that attempting to coordinate all aspects of service delivery is inefficient. Instead, it distinguishes whether the elements to be exchanged are standardized-nonstandardized. Coordinating standardized tasks, such as data-processing, can achieve economies of large scale. However, nonstandardized jobs, such as direct service or regional planning, often involve uncertainty, complexity, and the need for flexibility. In such cases, it is most efficient to allow agencies' autonomy by establishing face-to-face coordination among them.

Applying the confederative approach can resolve some problems created by a unitary consolidation of agencies. In addition, Litwak and Rothman's theory suggests organizational characteristics and conditions that influence whether agencies link effectively in some areas while maintaining distance from organizations in others. From a review of the Minnesota services integration experience, some guidelines are suggested for determining optimal linkages among service providers.

The Minnesota Human Services Act

In 1973, the Minnesota legislature passed the Human Services Act, permitting the establishment of a single county, multi-county, or regional Human Services Board with the authority to develop linkages between welfare, public health, corrections, and mental health. A confederative approach was possible under the Act, since decision-making rested at the local level and since county commissioners, service providers, and citizens were to plan for and deliver services in a manner consistent with local needs. However, the Act also aimed to achieve economies of large scale through establishing multi-county programs and unitary personnel, budgetary, reporting, and planning systems. In terms of Litwak and Rothman's theory, the Human Services Board structure was a formal linkage mechanism responsible for coordinating both standardized and nonstandardized elements to be exchanged among agencies.

In a seven-county, northeastern region in spring 1974, the County Commissioners voted to establish a pilot planning board, which would conduct a services assessment and develop a plan for integrating services across counties and across service areas, for relating with state agencies, and for involving consumers. Several months later, the Commissioners voted not to establish a permanent Human Services Board, primarily
because of agency and county resistance to the Board. Litwak and Rothman's theory suggests that such resistance is a likely response to attempts to implement an inappropriate coordinating technology. In this instance, the proponents of services integration did not adequately take account of the inequality of resources among counties and agencies, the agency executives' low awareness of the need to cooperate, the complexity of the planning task, and the agencies' protection of their autonomy. These variables, which are critical anchorpoints for organizations as they engage in interorganizational efforts, are elaborated upon in the remainder of the article.

Resource Asymmetry

According to Litwak and Rothman, near equality of power is a precondition for effective cooperative efforts. In the Minnesota case, such resource symmetry was absent.

The rural northeastern region, in which services integration was attempted, encompasses an area larger than several states. While the region's geographical size in itself makes coordination difficult, inequality of resources within and between the seven counties magnifies this difficulty. Power relations, as measured by the size of agency budget and staff, are unequal or asymmetrical. One county has a budget six and one-half times as large as the total combined budgets of the other six counties. In turn, the welfare agency within the wealthier county has a budget over twice as large as all the combined welfare budgets. The smaller counties fear domination by the more powerful county. Although the county with excess resources has the capacity to initiate linkages, it fears having to pay a disproportionate share of the costs without receiving any perceived benefits.

In addition to suspicions among counties, the four service areas that encompass 26 agencies are also protective of their clients and monetary resources. The large welfare agency, which accounts for over 90 percent of the county's human services budget, is especially concerned with expanding their domain in terms of population served, services rendered, and problems treated. Both counties and agencies were likely to resist surrendering any of their autonomy to a coordinating board, which they viewed as a potential "super-agency."

Low Awareness of Interdependence

According to Litwak and Rothman, awareness of partial interdependence among organizations is also a basic precondition for coordination. Sufficient awareness exists when agency executives develop policies or assign personnel to be responsible for interacting on an ongoing basis with other organizations. In the Minnesota case, such awareness was lacking.

Agency and county interactions are characterized by mistrust and by what Levine and White term domain dissensus, by disagreement over functions, populations served, ideologies, and evaluation of agency effectiveness. Agencies frequently compete for scarce resources. For example, the welfare departments and area mental health boards tend to disagree over who should provide mental health services. The public health department perceives their preventative approach to conflict with
what they define as welfare's crisis orientation. Agencies and counties exchange some services through purchase of service agreements, joint programs, and joint planning; however, even though they frequently interact, they are more aware of their conflict and differences than of ways they can help each other through facilitative interdependence. In fact, agency directors, who were interviewed by the Board Planning staff, were often unaware of their agency's total number of linkages within and across counties. Much interaction is ad hoc, initiated by individual workers to meet particular clients' needs. According to Litwak and Rothman, the lack of an agency written policy setting forth the conditions for cooperation suggests low awareness of their interdependence. Therefore any attempt to cooperate had to bridge at several levels these barriers of competition, hostility and low awareness.

Utilizing the generic variables from Litwak and Rothman's theory, the regional situation appears to be characterized by more awareness of competition than of facilitative interactions; by many interactions between the 26 agencies; and by an asymmetrical distribution of resources among agencies and counties. In addition, any integrating mechanism would have to coordinate both standardized (eg., budgeting) and nonstandardized (eg., planning for service delivery) elements among the agencies.

In the Minnesota case, both service providers and county commissioners feared a seven-county Board with statutory administrative and fiscal authority, numerous functions, and permanent staff, and thus voted against it. The Board structure did not adequately take account of the existing power relations among agencies and counties and their needs to be semi-autonomous. According to Litwak and Rothman, the board as a linkage mechanism was too formal and autonomous, given the conflict, mistrust, threats to survival, and resource asymmetry among agencies. Likewise, the Board was assuming responsibility for nonstandardized tasks, such as planning for service delivery and rearranging the personnel systems, which threatened agency identity. Yet, the formal Board did not allow for sufficient informal, face-to-face interactions in order to reduce such threats to agency autonomy. The Board structure is most appropriate for coordinating standardized tasks, not unpredictable ones such as planning.

When agencies perceive their survival to be at stake, an ad hoc arrangement between agencies would be most appropriate as an initial way to coordinate services. This mechanism might bring agency professionals and commissioners together periodically to share common concerns and to begin to talk about and plan for services integration. Informal, face-to-face linkages that are low in autonomy are necessary to minimize the threats to domains and to increase gradually the agencies' awareness of their facilitative interdependence and of their potential benefits from cooperating. Implementing such personal interaction is time-consuming; however, more lasting payoffs are likely than with a top-down formal approach, such as occurred when the Minnesota legislature quickly passed the Human Services Act, without involving Commissioners and professionals in its formulation. In the regional situation, it was also unrealistic to attempt to link seven counties which have such extreme disparities in resources and power. In order to avoid merger, the agencies (and/or counties) involved should be nearly equal in resources; in this situation, it would have been more effective to involve a smaller
number of counties and service providers. As the service providers would interact in an informal, ad hoc arrangement and undertake some nonthreatening fact-finding tasks, their awareness of interdependence between agencies would probably increase; with increased awareness of the benefits from cooperation, providers would be more likely to implement gradually a formal coordinating technology suitable for standardized tasks.

Conclusion

Litwak and Rothman's interorganizational theory thus suggests that practitioners need to consider the following variables in their attempts to implement services integration.

1. The existing relationships between the involved agencies (and/or counties): facilitative or competitive partial interdependence, domain consensus or dissensus. When the situation is characterized by competition, informal ad hoc face-to-face interactions are necessary to reduce threats to agencies' domains; in turn, some mechanisms are necessary to resolve conflicts between agencies.

2. The awareness of partial interdependence among agencies (and/or counties) is more critical than the number of interactions per se. If awareness is low, formal coordinating technologies will be too threatening to the agencies. Practitioners should begin by sharing nonthreatening tasks; this process could gradually increase awareness. The executives of agencies can also play a critical role in increasing awareness by developing policies and assigning personnel for coordinating purposes.

3. Resource asymmetry between the units to be coordinated. If units with asymmetrical resources attempt to coordinate, domination by the more powerful organization and eventual centralization are likely outcomes. Size per se is less important than linking units with fairly equal budgets and staff to allow mutual benefits. Agency coordination may be more easily attained than services integration, since resource disparities are more likely among service areas than among agencies within service areas.

4. Type of tasks to be coordinated.

Complex tasks directly associated with service delivery are more difficult to coordinate than standardized support services, such as accounting procedures. Attempts to coordinate should begin around standardized tasks, such as data collection and exchange. Differentiating types of tasks to be linked means that only certain agency tasks would be coordinated and thereby allows semi-autonomy among agencies (and/or counties).

Interorganizational analysis has not been widely applied to practice situations, particularly with any amount of foresight rather than afterthought. Hopefully, this brief review of some basic concepts has indicated a potential usefulness of some interorganizational theories to practitioners who are faced with decisions regarding the coordination and integration of human services.

-563-
NOTES


4. op. cit., Integration of Human Services in HEW, p. 5.

5. Examples of such efforts are the Department of Human Resources, District of Columbia; Human Resources Coordinating Commission, Kentucky; Executive Office of Human Services, Massachusetts.


7. op. cit., Levine and White, p. 584.


9. The other alternative would be for the State to mandate coordination. Although coordination of some type would take place, the conflicts and mistrust would probably persist under mandated service integration.

10. The state Planning Agency sought the support of the three state departments, the Governor's Office, legislative staff, and the Association of Minnesota Counties for the Human Services Act, but made little attempt to involve county commissioners or local service agency professionals. The Human Services Act did not undergo thorough scrutiny in House or Senate committees and, in fact, was passed less than a month after it was introduced into the legislature.