THE POLITICAL ECONOMY OF ORGANIZATIONS AND THE ROLE OF ADMINISTRATION: COPING WITH DEMANDS FROM MULTIPLE INTEREST GROUPS

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Abstract

This study focuses on the difficulty institutional leaders have satisfying multiple interest groups. It highlights the conflict between three of these interests and discusses the implications of these conflicts for decisions made by the institutional leaders regarding how the organization is to be structured and administered. In addition, the effects which the conflict between two of these interests (staff's evaluation of effectiveness and the number of clients processed) has on the role of the agency director are examined. It is shown that leaders facing conflicting expectations experienced significantly more role related difficulties than those leaders facing complementary expectations. The implications of these results for public policy are discussed briefly.
The political economy theory of organizations proposed by Zald (Zald, 1970; Wamsley and Zald, 1973a, 1973b) posits that organizations operate in an environment of multiple interest groups which place conflicting demands on the organization's administration. While this theory has spawned considerable discussion (Benson, 1975; Aldrich and Pfeffer, 1976; Pfeffer, 1976a; and Jacobs, 1974), it has generated very little empirical research on the nature of these constraints and the effects of these conflicts on organizational administration. The purpose of this paper is to report data collected on the claims of multiple interest groups on the administration of a sample of employment and training public agencies and to discuss the implications of this research for the further development of the political economy model of organizations and the administration of public programs.

The Political Economy Model of Organizations

Wamsley and Zald (1973a) proposed that "organizations exist in an immediate environment of users and suppliers, of interested and disinterested 'others'...[that] may be competitive, hostile, overseeing, etc.; [together they form] a policy subsystem which shapes the conditions of existence for an agency." (p. 64) These interests within a policy subsystem affect the distribution of both political and economic resources required by public agencies. On the political side the members of the policy subsystem control legitimacy and power and therefore affect the propriety of an agency's existence. These "relevant others" also influence the arrangement of the division of labor between agencies and the allocation of economic resources to them. The central theme of this theory is that the administration of public agencies is a highly politicized enterprise. Political struggles between the focal agency and other interest groups within its policy subsystem result from efforts by external actors to influence the agency's
niche and related goals and the agency's attempts to manipulate its relevant others in order to enhance its legitimacy and increase its share of the distribution of economic resources. (Wansley and Zald, 1973a)

The political economy model is compatible with the resource control theory of organizational effectiveness proposed by Yuchtman and Seashore (1967). The basic assumption underlying the resource control model is that critically needed resources are in short supply in the environment and consequently an organization's ability to survive and prosper is a function of its ability to outmaneuver other organizations in the acquisition of these scarce resources. An effective organization, therefore, is characterized as having a strong bargaining position which enables it to dominate its environment. This power over the environment is based on the organization's ability to control such contingencies as: input acquisition, output disposal, capital acquisition, acquisition of production factors, and the acquisition of a labor force. (Jacobs, 1974)

These theories are compatible not only because they emphasize the importance of controlling environmental resources but also because both explicitly recognize that the environment is composed of a heterogeneous mix of interests. In rejecting the goal approach to organizational effectiveness, Yuchtman and Seashore (1967) pointed out that administrators must serve a multitude of different parties with conflicting criteria of organizational effectiveness. This criticism of the goal approach has been echoed by Perrow (1970) and Hannon and Freeman (1976). Rather than having single identifiable purposes, organizations consist of coalitions which are vying for control over the power to make policy decisions regarding the distribution of resources (Cyert and March, 1963; Thompson, 1967). Following this line of reasoning, it is more appropriate to speak of the goals which individuals or groups,
both inside and outside the organization, have for the organization's means than to refer to the organization's goals, per se. (Mohr, 1971)

To date, the political economy model has stimulated a few research studies and theoretical articles which examine such things as the factors influencing whether organizations will engage in cooperative or conflictual relations (Hall, et al., 1974) and the bases for the distribution of power and resources within (Pfeffer and Salancik, 1974; Salancik and Pfeffer, 1974; and Pfeffer, 1976a) and between organizations (Jacobs, 1974; Benson, 1975). These articles share the common orientation that conflicting interest groups work to affect the outcomes of an organization's decision making process. However, this literature has almost totally ignored the effect which operating in a highly political context has on the roles of an organization's senior administrators. This is curious, since as Selznick (1957) pointed out it is at the institutional level of management that the conflicts between internal and external interest groups converge.

The importance of Selznick's (1957) insight that senior administrators are responsible for coping with both the constraints of the organization's environment and the needs of lower participants has not been fully assimilated into the administration literature because generally the two responsibilities are treated as being separate and independent activities. For example, models designed to increase worker involvement and motivation (cf, Lawler, 1973) do not consider environmental conditions as constraints on the programs which top management can initiate. Similarly, one of the shortcommings of the resource control model of effectiveness is that it does not adequately acknowledge the relationship between the efficiency of an organization's utilization of its resources and its needs to acquire
resources. An organization which efficiently utilizes its resources can tolerate greater environmental dependence than one which is not as frugal.

It is interesting to note, however, that the importance of administrators being able to cope with multiple constraints is receiving an increased amount of attention in the organizational effectiveness literature (cf, Pennings and Goodman, 1976; Mott, 1972; Reimann, 1975; and Katz and Kahn, 1968). For instance, Pennings and Goodman (1976: 15) propose that an organization is effective if "...relevan constraint; can be satisfied and to the degree that organizational results approximate or exceed a set of referents for multiple outcomes."

A few studies have focused on an administrator's need to satisfy both internal and external constraints. For instance, a study of 97 companies by Freidlander and Pickle (1968) demonstrated the difficulty of this task since they reported generally low and many negative correlations between measures of how well the organization was satisfying each of 7 different interests. In a study of general hospitals, Pfeffer (1973) found that the chief administrator and members of the hospital's board of directors were chosen for their ability to satisfy either the organization's needs for internal coordination or its needs for controlling sources of financial support in the environment.

While these studies describe several of the multiple constraints which institutional leaders face, neither of them examine the effects of role conflict on the administrators themselves or the nature of the work they perform. One of the only studies which has examined both the sources of institutional leaders' role conflict and its consequences was a study of school principals by Gross, et al., (1958). In this research the authors examined the conflicting expectations these administrators faced from 18
different internal and external interest groups in making decisions on:
(1) the hiring and promotion of personnel, (2) allocation of the principal's
after-school time, (3) teacher salary recommendations, and (4) budgetary
recommendations. The 105 principals reported substantial role conflict for
all four issues with the highest amounts for budget and salary recommendations.
This study also reported that those principals experiencing role conflict
had lower job and career satisfaction and worried more than those who did not
have to cope with conflicting expectations. This finding has been confirmed
by most of the subsequent research on boundary spanning positions and role
conflict (Kahn et al., 1964; Organ and Green, 1972; Leifer, 1976; Keller and
Holland, 1975; and Keller et al., 1976). While these studies are important to our
understanding of the consequences of the role conflicts experienced by
institutional leaders their major limitation is that they have typically
examined only the psychological effects of role conflict. Consequently
we feel that a more complete understanding of the consequences of coping
with conflicting demands can be obtained by examining the effects of role
conflict on the nature of administrators' day-to-day work activities.
This information will help fill a gap in the previous boundary spanning
research which has generally failed to specify the link between role
conflict and negative psychological outcomes such as frustration and low
job satisfaction.

The Study

This study collected data on the nature and effects of conflicting
demands faced by the directors of a sample of 69 manpower programs in New
York State (Whetten, 1974). These agencies primarily serve as links
between the poor, under-privileged and unemployed members of a community
and the social service, vocational and educational training and employment
opportunities provided by other public and private organizations.

Relevant interest groups for these organizations were the organization's staff, the local community leaders and the manpower agency's state and regional administration. These groups were chosen because they control political and economic resources essential for the effective operation of the organization. In a social service agency, it is not difficult for disgruntled staff members to covertly restrict output by such means as misplacing clients' files (Blau, 1963). They can also reduce the quality of service provided by referring the client to the wrong agency or specifying the wrong type of training. Manpower organizations function primarily as people processing organizations (Hazenfeld, 1972) utilizing a mediating technology (Thompson, 1967). Consequently, they are highly dependent on the leaders of other local organizations which provide training, education and employment opportunities for the manpower program's clients or who work directly with different groups of disadvantaged in the community, because they can seriously affect the flow of referrals into and out of the manpower agencies. In this context the importance of legitimacy as a political resource (Benson, 1975) is underscored since the evaluation by the heads of local organizations to some extent determines the availability of client resources in the task environment. Control over the financial resources required to operate the local manpower organizations is held by the central administration of federal and state manpower programs. At the time the data were collected funding for the local manpower agencies was received through categorical (program) channels, e.g., the Neighborhood Youth Corp in a local community received its operating funds from Washington via the regional Manpower Administration office. As a result, the top level administrators of these programs were in a position to literally
shut down a local agency if they did not comply with program guidelines.

Information regarding the potential demands which these interest
groups might exert on the heads of manpower organizations was collected
by asking the organizations' staff and community leaders to evaluate the
effectiveness of the agencies with which they were associated. We felt
that this rating would reflect the political demands of these parties
because each has an interest in the effectiveness of these agencies. They
are therefore likely to use their control over valued resources as leverage
to increase the agency's effectiveness as they define it from their
particular perspective. Consequently, if these interest groups report
inconsistent evaluations of an organization this suggests that its leaders
are facing conflicting pressures as they make decisions regarding the
goals and policies of their program.

Data from the staff was gathered by asking all of the professional
staff members to respond to the following question: "Overall how effective
do you feel this organization is in fulfilling its mission as a manpower
organization?" The response was coded on a 7 point scale from "not very
effective" to "very effective." The rating by local community leaders
came from a panel which consisted of the heads of seven key organizations.
These were the Superintendent of Schools, Mayor, County Executive, or
Chairman of the County Legislature, the Executive Director of the Chamber
of Commerce, the Commissioner of the County Social Services Department,
the Director of the Community Action Agency (CAP), and the Secretariate of
the local Comprehensive Area Manpower Planning Council (CAMPS). These
leaders were selected for two reasons: (1) because of their familiarity
with the operations of these organizations\(^2\) and (2) because these leaders
represented segments of the community which had a definite interest in the
effectiveness of these agencies. The interests and concerns of clients were represented by the Social Services Department, the CAP agency, the school system and the elected officials. The relationships with community organizations providing services utilized by the clients was represented by the Chamber of Commerce, the CAP agency, the CAMPS council, the public schools and elected officials. We therefore felt that these seven people were in key positions in each community to receive feedback from the members of the manpower organization's task environment and as such acted as important opinion leaders in the community. These leaders responded to the following question: "Considering all that you know about each of these organizations how would you rate their effectiveness in meeting the manpower needs of this area?" Their response was coded on a five point scale from "ineffective" to "very effective."

Obtaining an evaluation from the state and/or regional leaders of these programs was more difficult. These leaders indicated that they did not have any type of formal rating (or ranking) of the local agencies and they were not willing to perform such an evaluation for our study. This reluctance was likely due to the uncertainty faced by the entire manpower system at this time. During the summer of 1973, Congress was preparing to pass a manpower revenue sharing bill which would dismantle the centralized categorical administrative structure and place the authority to fund manpower programs in the hands of local community leaders. However, in our conversations with these administrators it became apparent that one of the primary evaluation tools they utilized in making funding allocations was the monthly reports submitted by each agency. This statistical report reflected the level of an agency's activity in such areas as: receiving referrals, processing clients using various throughput process (e.g.,
counselling, testing) and outputting clients via placement in employment or completion of training. Our supposition that these program administrators were relying on statistical reports to evaluate an agency's effectiveness is consistent with the observations of others regarding the process by which this type of public program is evaluated (Wilcox, 1969) and is borne out by this recent statement by a senior official in the Department of Labor, "...CETA success will henceforth be measured in terms of costs per unsubsidized placement" (Brandwein, 1976). The statistic which appeared to be the most appropriate surrogate measure for the potential demands of this interest group was the number of outputs from each organization. An average of the figures for twelve months was calculated to control for seasonal fluctuations in the supply of inputs and demand for outputs caused by such things as seasonal employment opportunities and needs, and fluctuations in the availability of funding.

Results

Table 1 shows the relationship between the evaluations by the staff and community leaders and the output statistics. This indicates that there is a strong negative relationship between the staff's evaluation and an organization's output which suggests a strong conflict between the interests of internal members and external program administrators. Since the other two correlations are not statistically significant it appears that they are independent evaluation criteria. This suggests that while they do not represent antagonistic demands an administrator would still find it difficult at times to pursue both interests simultaneously.

Insert Table 1 About Here

From Table 1 we learn that it is difficult for an administrator to do
whatever is necessary to produce a high volume of output and simultaneously meet the staff's criteria for an effective organization. However, this information tells us very little about the nature of these antagonistic demands. To fully understand the consequences of this conflict of interests for administering these agencies we must be able to identify the staff's criteria for an effective organization as well as the organizational factors which contribute to high output and then determine which of these are in conflict. Conflicts between goals represent serious dilemmas for administrators when they involve antagonistic demands on the utilization of organizational means (e.g., to accomplish one objective the organization should be centralized; however, decentralization is necessary to reach another goal), otherwise, they are mere ideological disagreements. To determine whether the basic structural design and administrative procedures required to meet these three criteria of effectiveness are antagonistic the three dependent variables were correlated with several key organizational characteristics. These included: (1) the amount of coordination and control (formalization, centralization and communication) (2) staff training (years of education) (3) the manner in which work is processed internally during the throughput stage (variety of tasks, time spent processing each unit, task interdependence, number of services offered), (4) relationships with the environment (staff's rating of cooperation between manpower organizations in the community, size of the organization's set, concentration of the set, number of linkages with the seven community leaders used as raters) and (5) scale of operations (number of staff and occupational complexity). The specific operationalizations of these measures are included in Appendix 1.

The organizational characteristics associated with the three measures
of effectiveness are shown in Table 2. Focusing on the community leaders' rating first, it appears that the manpower organization's visibility in the community is the best predictor of this rating. Organizations which had a large organization set that was widely dispersed across the eight categories of community organizations and included linkages with the organizations administered by the community leaders were rated as being most effective. Visibility may have also been enhanced by the cooperation within the manpower system of organizations since the absence of negative publicity regarding the "in-fighting" between manpower organizations may result in the community leaders evaluating the entire group of organizations as being effective. The staff's level of education may be viewed as an indicator of their competence and expertise. Since employees in this system of organizations are frequently drawn from the ranks of the underprivileged and uneducated, the presence of articulate, well-educated representatives should bolster the confidence of outsiders in the ability of the organization to competently service any clients referred to it and to make sound judgments regarding which of their clients should be referred to other local organizations. The correlation between formalization of rules and the community leaders' rating is somewhat surprising since this aspect of an organization is generally not highly visible to external observers. However, formalization of rules and policies may be acting as a surrogate measure for an overall bureaucratic approach to administering the agency. If this is the case then from the point of view of interacting organizations this lack of flexibility may prove frustrating and result in a poor rating. This suggests the need to make a distinction between mutual formalization of a relationship, which Aldrich (1976) has shown to be positively correlated with the number of referrals exchanged between
agencies, and unilateral formalization of policies which creates problems for the interacting agencies.

The finding that community leaders based their judgment of the manpower organization's effectiveness primarily on the agency's visibility is consistent with Perrow's statement that: "Competence is hard to judge so we rely upon familiarity." (1972: 11) This principle seems especially appropriate for the public sector where there is a lack of hard criteria (e.g., stock prices and profits) for judging the effectiveness of an organization. It is especially difficult for an outsider to evaluate the quality of the primary characteristics of these agencies, i.e., the services they provide; hence it is only natural for an external observer to focus on the organization's secondary characteristics, such as its visibility in the community.

As a test of this proposition we examined the community leaders rating of how familiar they were with each of the agencies they were evaluating. The alternative responses were: (1) I don't know anything about this organization; (2) I am somewhat familiar with this organization; (3) I am very familiar with this organization. The community leaders' average effectiveness rating for each of these three levels of familiarity were 2.2, 2.8, and 3.5 (p = .01). Consequently, it appears that visibility is a very important determinant of a social agency's legitimacy within its immediate environment.

The principal alternative explanation for these results is that these characteristics of manpower organizations enable them to successfully process many clients and this information is picked up by the community.
leaders via their contacts with their staff or clients whose interests they represent. However, if this were the case one would expect a high correlation between the community leaders' ratings and the agencies' level of output which is not consistent with the results of Table 1.

The most striking feature of Table 2 is that the staff's rating and the measure of output are correlated with basically the same set of organizational characteristics but the signs of these correlations are opposite. Overall, it appears that an organically structured and administered organization is rated as most effective by the staff while a mechanistic (Burns and Stalker, 1961) organization has the greatest output. The staff rating of effectiveness are higher in an organization which is decentralized, provides the mechanisms for a high level of internal communication (staff meetings), is staffed by highly educated people who serve in a small number of occupational titles and who perform a wide variety of tasks that involve spending a considerable amount of time dealing with each client. These characteristics of the throughput process are at least partially due to the fact that the organization has instituted many supportive services, which are auxiliary to the main functions of the organization. The organizational members have also established a good working relationship with other manpower organizations. In contrast, the organization which has a high level of output is characterized by a high level of centralization of authority and formalization of rules and procedures, a large number of staff who are not highly trained but are assigned to many occupational categories and who perform tasks with low variety which do not entail extensive contacts with clients, and, possibly because few auxiliary services are provided, require little coordination between members. The organization has also established a large network of
relationships with other organizations in the community which presumably aids in obtaining inputs and disposing of the organization's outputs.

It is interesting to speculate regarding the source of this conflict between these interests. One of the more plausible explanations is that the organization's staff have been socialized into a professional ethic which places greater value on the quality of service provided rather than the quantity of clients processed. It follows that staff members with this orientation would prefer to work in an organization that is organically structured and administered since it would be more compatible with their values. This explanation is supported by an extensive body of literature dealing with the conflict between the goals of quality of production versus quantity of production in industrial administration (cf., Seashore, 1965; Freidlander and Pickle, 1968; Moor, 1973).

An alternative explanation stems from the work on cognitive dissonance reduction (Festinger, 1957; Bem, 1967) This theory suggests that if the staff feel a strong pressure to evaluate their agency positively, then having done that they would look around for a justification of their rating. If they are aware that their organization is not processing a large number of clients (relative to others in the sample of organizations) then they might conclude that since the organization is not a high producer it must be focusing on the quality of outputs. While it is not possible to reject either of these explanations with the data in this study, the first alternative appears to be a more parsimonious explanation.

Regardless of which explanation is correct, the results are very striking. There is a very strong conflict between the interests of the staff members and the interests of central administrators in documenting the effect of their categorical program by citing the number of placements
they have accomplished. While the policy and administrative implications of this finding are numerous, we will delay our discussion of them until after the next section.

Consequences of Role Conflicts

The data in Table 2 tell us a great deal about the sources of the conflict faced by the heads of these organizations and they isolate the specific organizational characteristics which are affected by the inconsistency in the three objectives. However, to better understand the consequences of these conflicts on the role of agency director, we need also to examine their affect on the day-to-day activities of these leaders. To do this we divided our organizations into two groups depending on whether their level of output and staff's evaluation were compatible or incompatible. We choose these two measures since they have a substantial negative intercorrelation which affects how many of the organization's means are to be utilized. We therefore felt that the interaction between them was most likely to have a significant impact on the administrator's role. Each of these measures was divided at its mean and then the organizations were classified into the resulting four cells with the High/Low and Low/High cells comprising the conflicting condition and the High/High and Low/Low cells comprising the complementary condition. This grouping resulted in a 34 to 33 split of the 67 organizations.

To determine the effects of intersender role conflict we asked each of the agency heads to describe the difficulty of their roles as administrators in terms of the level of uncertainty they faced, the routineness of their work, and the amount of control they had over their personal environments. Uncertainty was operationalized in terms of the predictability of their tasks, the time span of feedback and the extent to which it was
necessary to plan ahead. The first two measures have been frequently used in studies of uncertainty (cf, Lawrence and Lorsch, 1967; Downey, et al., 1975) and the third attempts to measure the extent to which an administrator must look far ahead to consider the ramifications of daily decisions. We predicted that administrators in the conflict condition would have to be more concerned about the long-range consequences of their actions than their counterparts in the complementary condition. Similarly, because of the increased complexity of the decision making process in the conflict condition we predicted that these administrators would report a longer time span to receive feedback regarding the consequences of their decisions and less certainty in their ability to predict the eventual outcome of these decisions. Task routinization was measured by the number of unique and troublesome problems the administrator encountered each day (Perrow, 1967; Lynch, 1974). Because of the numerous diлемmas suggested in Table 2 we expected that administrators in the conflict group would report more problems in their work than those in the complementary group. The final measure of role difficulty was the amount of control the administrators felt they had over the constraints within and outside the organization which affected their job performance. Worker autonomy has been examined previously by Hackman and Oldham (1976), Turner and Lawrence (1965) and Hage and Aiken (1967). Consistent with our other hypotheses we expected that the administrators facing inconsistent role expectations would express less control over their environment than administrators facing compatible demands. The specific operationalizations of these six survey items are included in Appendix 2.

Table 3 points out very dramatically the effects of role conflict for these institutional leaders. Not only are the means for the six role
difficulty measures all significantly different from one another, but in addition, our hypotheses regarding the direction of the differences are all confirmed. It appears that serving as the head of an organization where there is either a high staff evaluation and a low output of clients or a low staff evaluation and a high output of clients is a much more difficult task than the case in which you have similar levels on both dimensions.

By collapsing our $2 \times 2$ table into two cells (conflict and complementary) we are masking the interaction effects between organization's output and staff evaluation for the six role characteristics. Even though the independent variables are moderately correlated there may be a significant interaction between them. To test for this possibility, we performed an analysis of variance test on the entire $2 \times 2$ table (with unequal cell sizes). Table 4 shows the cell means and the analysis of variance results for the six role characteristics. While it is disappointing that the interaction terms for only three of the analyses were significant, there is a strong pattern in the ranking of the cell means in Table 4 which supports our grouping the "interaction" cells together. This pattern is highlighted in Table 5, which shows that when the cell means are rank ordered from highest value to lowest value the means for the conflict cells (1 and 4) are higher than the means for the complementary cells (2, 3) for five out of the six variables.

In looking at Table 5, there are two individual cell means that should be highlighted. First, it is interesting to note that the High output/Low employee evaluation cell (#2) had the highest mean for five out
of six variables. This suggests a possible dysfunctional consequence of public policies which emphasize or reinforce a high volume of outputs. Others have expressed concern that this orientation is not in the best interests of the clients being served by our public institutions (Jones, 1976) but this study has focused on a different implication of being overly numbers conscious, namely the effect it has on the role of agency administrator. Part of the reason why this particular type of conflict seems to be so problematic for an administrator is that it is very difficult to resolve. The alternatives are to raise the evaluation of the staff, which is presumably related to their professional orientation, or to decrease the volume of production. The staff's evaluation can be changed by lowering the professionalism of the staff through the hiring selection process. Unfortunately, this goes against the current trend of increasing the professionalism of social agency employees and would therefore likely decrease the agency's legitimacy with community leaders and clients. On the other hand, if the agency head chooses to reduce output there is the possibility of incurring negative sanctions from the program's central administration which controls the primary source of financial support for the local agency.

The second particularly striking result in Table 5 is that both of the conflict cells have higher means than the Low/Low cell (#1). This is a very interesting result since it appears that the condition of low output and Low evaluation is less problematic for administrators than either of the two conflict conditions. This suggests that when there is agreement between various interests that the organization is doing poorly, at least in the public sector where there is a relatively low risk of actually going out of business, the day-to-day tasks of administration are
less difficult to manage than when the administrator is faced with inconsistent evaluations of effectiveness. In discussing this counterintuitive result with colleagues, it was suggested that maybe the agency heads in the Low/Low condition did not link the effects of negative evaluations from their staff and program administrators with the characteristics of their role because they were not expressively involved in their position as agency head. This idea was consistent with our observations that there was a group of manpower agency heads who had a long history of moving from one public program to another as openings with opportunities for advancement became available. These people typically were natives of the community and utilized their connections with "old chums" for upgrading their employment. These leaders typically spent less time than normal administering their agency and seemed to be less involved in the "cause" of providing training and employment to the underprivileged. Under these conditions disagreements with the staff of the unfavorable evaluations by the regional administrators might be dismissed as unimportant if these leaders could fall back on the support of their primary reference group--their associates who were the heads of other local organizations. As a test of this explanation, we compared the community leaders' ratings of the agencies in each of the four cells and indeed we found that those in the Low/Low cell were rated highest (F=2.78, p=.05). While this provides an interesting insight into the political nature of administering federally sponsored social service programs at the grass roots level, our analysis should be treated with some caution due to the small number of cases in this cell.
Summary and Conclusions

The political economy model of organizations posits that public organizations exist in a highly politicized environment characterized by conflicts between various interest groups within a policy sub-system. This study has shown that the environments of manpower organizations clearly vary on this dimension. While some organizations appear to be confronted by conflicting demands, others are working within a highly complementary set of constraints. However, our major purpose was not to test the validity of the political economy model but instead to increase its utility by showing that the nature of the context within which an agency is operating has a significant impact on the role of agency head. In this regard we found that leaders facing conflicting demands described their job as being much more difficult than their counterparts in the complementary condition.

One of the strengths of the research design used in this study was the fact that it identified the source of conflicts faced by these leaders. Typically studies of boundary spanning roles simply compare the amount of role conflict reported by boundary spanners vs non boundary spanners and then show that this is related to the subjects' feelings towards their roles. By examining the role of boundary spanning in greater depth we are better able to understand the dynamics that produce the expressions of frustration and low job satisfaction among boundary spanners facing inter-sender role conflict which have been frequently reported in the literature. While our study would have been strengthened by self report measures of role conflict and job satisfaction our results show that administrators in the role conflict condition are clearly describing their role "as if"
they are facing conflict. This is likely due to the fact that the demands made by the interest groups we examined are highly visible and very pressing in these organizations.

This research has also added to our understanding of the role of institutional leader--a position which is receiving an increased amount of attention (cf, Pfeffer, 1976b). The nature of the pressures from internal and external interests which are focused on this role make it a unique boundary spanning position which deserves further investigation. Our examination of the amount, and consequences, of role conflict faced by heads of social service agencies will hopefully stimulate more research in this area. A particularly attractive topic for future research is the strategies used by institutional leaders for reducing role conflict. For this purpose alternatives suggested by Parsons (1951), Merton (1957) and Kahn, et al (1964) would provide a sound basis for investigation.
TABLE 1

CORRELATIONS BETWEEN THE POTENTIAL DEMANDS OF THREE INTEREST GROUPS

<table>
<thead>
<tr>
<th></th>
<th>1.</th>
<th>2.</th>
<th>3.</th>
</tr>
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<tbody>
<tr>
<td>1. Staff's Evaluation</td>
<td>--</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Community Leaders' Evaluation</td>
<td>.15</td>
<td>--</td>
<td></td>
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<tr>
<td>3. Agency's Output</td>
<td>-.42***</td>
<td>-13</td>
<td>--</td>
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N = 69

*** = .001
### Table 2

**Correlations Between Three Potential Demands and Organizational Characteristics**

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<th>Organizational Characteristics</th>
<th>Potential Demand</th>
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<tr>
<td></td>
<td>Rating by Panel of Community Leaders</td>
</tr>
<tr>
<td>Coordinating and Control Scale</td>
<td>Formalization - .28</td>
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<tr>
<td></td>
<td>Centralization</td>
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<tr>
<td></td>
<td>Communication</td>
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<tr>
<td>Staff Training and Work Processing (throughput) Scale</td>
<td>Level of Professional Training .29</td>
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<td></td>
<td>Task Variety 46</td>
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<td>Time Spent Processing Each Client 30</td>
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<td>Occupational Complexity -25</td>
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<td></td>
<td>Organizational Size 23</td>
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<tr>
<td>Relationships With Environment</td>
<td>Cooperation Between Manpower Organizations .20</td>
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<tr>
<td></td>
<td>Organization Set Size .20</td>
</tr>
<tr>
<td></td>
<td>Organization Set Concentration - .28</td>
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<tr>
<td></td>
<td>Linkage With Community Leaders 22</td>
</tr>
</tbody>
</table>

Only statistically significant correlations are reported.

- $p < .10 = r$ of .20
- $p < .05 = r$ of .25
- $p < .01 = r$ of .32
- $N = 69$
TABLE 3

RELATIONSHIP BETWEEN WHETHER LEADERS FACE CONFLICTING DEMANDS OR COMPATIBLE DEMANDS AND THE CHARACTERISTICS OF THEIR ROLE

<table>
<thead>
<tr>
<th>Role Characteristic</th>
<th>Compatible Demand</th>
<th>Conflicting Demand</th>
<th>T-Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Unpredictability of Causal Relations</td>
<td>1.71 (low)</td>
<td>2.82 (high)</td>
<td>1.95**</td>
</tr>
<tr>
<td>B. Necessity of Long Range Planning</td>
<td>2.47 (short)</td>
<td>3.88 (long)</td>
<td>2.79***</td>
</tr>
<tr>
<td>C. Feedback Time</td>
<td>2.27 (short)</td>
<td>3.55 (long)</td>
<td>2.79***</td>
</tr>
<tr>
<td>D. Number of Problems Encountered</td>
<td>1.82 (few)</td>
<td>2.70 (many)</td>
<td>1.93**</td>
</tr>
<tr>
<td>E. Lack of Control Over External Constraints</td>
<td>2.88 (low)</td>
<td>4.52 (high)</td>
<td>2.74***</td>
</tr>
<tr>
<td>F. Lack of Control Over Internal Constraints</td>
<td>1.91 (low)</td>
<td>2.85 (high)</td>
<td>1.81**</td>
</tr>
</tbody>
</table>

** p < .05  
*** p < .01

N = 69
Table 4

Analysis of Variance for Role Characteristics
In Four Different Demand Conditions

<table>
<thead>
<tr>
<th>Role Characteristics</th>
<th>Cell Means</th>
<th>ANOVA F Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Unpredictability of Causal Relations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 = Low A Low B (N=6)</td>
<td>3.17</td>
<td>A = .77</td>
</tr>
<tr>
<td>2 = Low A High B (N=22)</td>
<td>2.27</td>
<td>B = 9.09**</td>
</tr>
<tr>
<td>3 = High A Low B (N=11)</td>
<td>3.91</td>
<td>AxB = 1.54</td>
</tr>
<tr>
<td>4 = High A High B (N=28)</td>
<td>1.39</td>
<td></td>
</tr>
<tr>
<td><strong>B. Necessity of Long Range Planning</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 = Low A Low B (N=6)</td>
<td>2.67</td>
<td>A = 4.30**</td>
</tr>
<tr>
<td>2 = Low A High B (N=22)</td>
<td>4.09</td>
<td>B = .03</td>
</tr>
<tr>
<td>3 = High A Low B (N=11)</td>
<td>3.46</td>
<td>AxB = 4.06**</td>
</tr>
<tr>
<td>4 = High A High B (N=28)</td>
<td>2.43</td>
<td></td>
</tr>
<tr>
<td><strong>C. Feedback Time</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 = Low A Low B (N=6)</td>
<td>1.83</td>
<td>A = .04</td>
</tr>
<tr>
<td>2 = Low A High B (N=22)</td>
<td>3.54</td>
<td>B = 1.07</td>
</tr>
<tr>
<td>3 = High A Low B (N=11)</td>
<td>3.54</td>
<td>AxB = 6.76**</td>
</tr>
<tr>
<td>4 = High A High B (N=28)</td>
<td>2.36</td>
<td></td>
</tr>
<tr>
<td><strong>D. Number of Problems Encountered</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 = Low A Low B (N=6)</td>
<td>2.00</td>
<td>A = 1.76</td>
</tr>
<tr>
<td>2 = Low A High B (N=22)</td>
<td>2.77</td>
<td>B = .12</td>
</tr>
<tr>
<td>3 = High A Low B (N=11)</td>
<td>2.54</td>
<td>AxB = 1.96</td>
</tr>
<tr>
<td>4 = High A High B (N=28)</td>
<td>1.77</td>
<td></td>
</tr>
<tr>
<td><strong>E. Lack of Control Over External Constraints</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 = Low A Low B (N=6)</td>
<td>3.67</td>
<td>A = 5.04**</td>
</tr>
<tr>
<td>2 = Low A High B (N=22)</td>
<td>4.68</td>
<td>B = .61</td>
</tr>
<tr>
<td>3 = High A Low B (N=11)</td>
<td>4.18</td>
<td>AxB = 3.01*</td>
</tr>
<tr>
<td>4 = High A High B (N=28)</td>
<td>2.71</td>
<td></td>
</tr>
<tr>
<td><strong>F. Lack of Control Over Internal Constraints</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 = Low A Low B (N=6)</td>
<td>1.50</td>
<td>A = .15</td>
</tr>
<tr>
<td>2 = Low A High B (N=22)</td>
<td>3.14</td>
<td>B = 1.20</td>
</tr>
<tr>
<td>3 = High A Low B (N=11)</td>
<td>2.27</td>
<td>AxB = .23</td>
</tr>
<tr>
<td>4 = High A High B (N=28)</td>
<td>2.00</td>
<td></td>
</tr>
</tbody>
</table>

A = Output
B = Staff's Evaluation

Cells:  1=Low A Low B (N=6)   * p < .10
       2=Low A High B (N=22)  ** p < .05
       3=High A Low B (N=11)  *** p < .01
       4=High A High B (N=28)  N = 69
RANK ORDERING OF THE FOUR CELL MEANS FOR EACH OF THE ROLE CHARACTERISTIC VARIABLES

<table>
<thead>
<tr>
<th>Rank Order of the Four Cell Means</th>
<th>Role Characteristic Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A.</td>
</tr>
<tr>
<td>Highest</td>
<td>3</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Lowest</td>
<td>4</td>
</tr>
</tbody>
</table>

Cells:  
1 = Low A Low B  
2 = Low A High B  
3 = High A Low B  
4 = High A High A
Organizational Characteristics

**Formalization:** An index composed of the organization's standardized scores regarding the presence or absence of: 1. An organization chart, 2. Written contracts of employment, and 3. Written records of job performance. The latter two variables were scored on the basis of whether they were available for administrators and supervisors only, or for all non-clerical personnel.

**Centralization:** The staff members' average response regarding how often they participated in making the following decisions: 1. To promote any of the non-clerical staff, 2. To hire new staff members, 3. To adopt new policies, and 4. To adopt new programs. Responses were coded on a 5 point scale from "Never" to "Always."

**Communications:** The number of regularly scheduled meetings within an organization per month. This variable was logged because of its highly skewed distribution.

**Professional Training:** The average number of years of education of the staff members.

**Task Variety:** Staff's average response to: "Would you describe your job as having little variety in it, or a lot of variety?" Responses were scored on a 7 point scale from "Little variety" to "A lot of variety."

**Time Spent Processing Each Client:** Staff's average response to: "How much time does it usually take you to perform one unit of work, e.g., provide services to one client, process or investigate one claim, or solve one problem?" Response alternatives were: 1. One hour or less, 2. Half a day or less, 3. One working day or less, 4. 2-3 days or less, 5. One week or less, 6. 2-3 weeks or less, and 7. Several weeks.

**Task Interdependence:** Staff's average response to the following question: "Work can flow through a work unit in several different ways. Three of these ways are depicted in the following illustrations. Place a check under the diagram which best depicts the flow of work through your work unit." Alternative responses were three diagrams with the following captions: 1. Work does not flow between unit members, 2. Work flows between members, but in only one direction, and 3. Work flows between members in a reciprocal manner.
APPENDIX I
(Continued)

Number of Services Offered: Staff members were asked to identify the services offered by their organization from the following list: Outreach, Intake and assessment or diagnosis, Orientation of clients or program participants, Basic education, Work skill training, On-the-job training with the organization, On the job counseling or supervision (at sites in other organizations), Counseling, Supportive services (e.g., day care centers, transportation), Job development (solicitation of job openings), Sending referrals for job placement, Sending referrals to other organizations to receive personal services, Follow up on referrals, and Research and planning. This variable was logged.

Occupational Complexity: On the basis of their job titles and a description of the tasks they performed, staff members were placed into eight categories: Administration, Basic Education Instructors, Work Skills Instructors, Guidance and Counseling, Interviewers, Job Placement and Development, Social Workers and Community Organizers, and Staff positions (e.g., publicity, evaluation, training, research). The number of different categories represented was used as the organization's score.

Organizational Size: The number of staff in an agency. Part-time members were counted on the basis of the fraction of full-time which they worked in the organization.

Cooperation Between Manpower Organizations: The staff's average response to: "Overall how much cooperation is there among the manpower organizations in this area?" Responses were coded on a 7 point scale from "Very little cooperation" to "High degree of cooperation."

Organization Set Size: This is the total number of organizations in the local community with which the focal organization interacted. This number was obtained by compiling a list of all known public and non-profit organizations in the local community over a two year period. We then asked the director of each manpower organization to identify those organizations on the list with which his organization had any of the following types of relationships: 1. Send referrals to, 2. Receive referrals from, or 3. "Other" type of relationship, e.g., funding, shared office space and/or personnel. For a more complete description of this and the organization set size variable, see Whetten and Aldrich (1976).

Organization Set Concentration: All of the organizations in the organization set were classified into nine categories referred to as community sectors. These included Education training and employment organizations, Public safety organizations, Medical and Health care organizations. The concentration of an organization set was calculated using the "H" measure of concentration which is the sum of the squared percentages of organizations in each of the eight community sectors.

Linkage with Community Leader's Organization: Each of the community leader's organizations could be identified in the focal organization's set. This variable is therefore the number of the 7 community leader's organizations with which each manpower organization had interacted.
APPENDIX II

Agency Head's Role Characteristics

Predictability of Cause and Effect Relationships: "In some organizations things are fairly predictable—if you do this, that will happen. In others you are often not sure whether something will work or not. What percentage of the time would you say that you are not sure whether something you do will work out?" Response alternatives were 9 increments of percentages from "10% or less" to "90% or more."

Necessity to Plan Ahead: "How far ahead do you find it necessary to plan your work?" Response alternatives were: 1. About one day, 2. Less than one week, 3. Less than 2-3 weeks, 4. Less than one month, and 5. Several months.

Feedback Time: "In terms of the major tasks you are assigned, on the average how long is it before you know whether your work effort is successful?" Response alternatives were: 1. Within a day, 2. Within a week, 3. Within 2-3 weeks, 4. Within a month, and 5. Several months.

Number of Exceptions Encountered: "During the course of your work how often do you come across specific but important problems that you don't know how to solve, and you have to take some time to think them through by yourself or with others before you take action?" Response alternatives were: 1. Daily, 2. 2-3 times a week, 3. Once a week, 4. 2-3 times a month, and 5. Once a month or less often. The scoring on this variable was reversed.

Lack of Control Over External Factors: "How much control do you personally feel you have over factors external to the organization which affect your ability to perform your job?" Responses were coded on a 7 point scale from "A great deal of control" to "Very little control."

Lack of Control Over Internal Factors: "How much control do you personally feel you have over factors within the organization which affect your ability to perform your job?" Responses were coded on a 7 point scale from "A great deal of control" to "Very little control."
Keller, et al. (1976), Seiber (1974), Aldrich and Herker (1977), and Pettigrew (1972), have noted that boundary spanning positions have several positive features which may outweigh the negative consequences of role conflict. These include high task variety, considerable autonomy and extensive opportunities to accrue power within the organization. However, since our research interest focuses on the consequences of role conflict experienced by a particular boundary spanning position (institutional leaders) rather than on an evaluation of the overall costs and benefits associated with boundary spanning roles, this body of literature will not be discussed extensively in this paper.

During the year preceding the study we interviewed the heads of each of the manpower agencies to determine who in the local community was most closely associated with their activities and these seven organizations were among the most frequently mentioned.

Under this plan local public officials could elect to fully fund, modify or totally eliminate the current categorical programs in their community. This manpower revenue sharing bill was passed in the form of The Comprehensive Education and Training Act (CETA).
REFERENCES


<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Title</th>
<th>Source</th>
</tr>
</thead>
</table>


Turner, A. N., and Paul Lawrence. *Industrial Jobs and the Worker.* Boston: University School of Business Administration. 1965


