INTERORGANIZATIONAL RELATIONSHIPS

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by
Sheldon J. Lefcovitch
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INTERORGANIZATIONAL RELATIONSHIPS

The present study concerns itself with the development of a theoretical framework for examining and understanding interorganizational relationships. An attempt has been made to integrate in as comprehensive a fashion as possible a variety of theoretical material focusing on this aspect of organizational behavior. The central conceptualization around which all other material has been organized is that of exchange. The exchange model conceives of interorganizational interaction in terms of transfers of resources from one organization to another. This theoretical model suggests that there exist certain organizational factors which influence the manner in which organizations interact with one another.

The value of these factors as determinants of organizational co-existence has been investigated by analyzing several instances of interorganizational interaction between a school and five other organizations. This analysis has shown
that organizational relationships are affected: by an organization's access to resources, but that access to resources is not necessarily determined by broad organizational structure; by both organizational goals and function, but that their relative importance is unknown; by the amount of complementarity of resources; by the degree of domain consensus; by the costs of administrative controls, and; by the degree of service commitment. Omitted from the analysis is any discussion of the relative effect on organizational co-existence of each of the above factors.
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THEORETICAL ORIENTATION

A. Introduction

Sociological inquiry into organizational behavior has focused primarily on intraorganizational relationships. In fact, it is only within the last decade or so that any serious attention has been devoted to the interorganizational aspects of organizational behavior. The most important reason for this is the relative difficulty of conducting inter-organizational and intraorganizational studies. It is far easier to demonstrate interdependence among the parts of a single unit or organization than it is to show interdependence among a variety of units or organizations with divergent objectives. As Wilensky and Lebeaux point out, it is only possible to underscore the links among organizations when the community is conceptualized as a functional whole.

Interorganizational interaction has been receiving increased attention over the past ten to fifteen years following Etzioni's suggestions for the study of complex organizations. He identified interrelations among organizations and


external social units as an area requiring further sociological investigation. While Etzioni includes in the designation "external social units" more than just organizations (he also includes polities and external collectivities), he does make specific note of the need for increased study of interrelations among organizations.

The challenge of Etzioni's suggestion is being increasingly taken up with the development of theoretical orientations which promise to do exactly that which Wilensky and Lebeaux see as a prerequisite to the study of interorganizational behavior. General systems theory, which had its birth in the physical sciences, is becoming more prominent in the social sciences and is being used, by such students of the community as Roland Warren, to study the complexities of community life. Very simply and within the context of the present discussion, general systems theory can be described as a way of thinking about social organization in which emphasis is placed not so much on the composition of individual units of study, but on the interaction that occurs among a variety of these units. Within the framework of the general

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systems perspective, it is possible to operationally conceptualize the community as a "functional whole" and to identify organizations, among other elements, as component parts of that whole. Not too surprisingly, the general systems perspective has shown itself to be equally applicable to examinations of the internal arrangements of organizations. This has led to an exciting development in the study of organizational behavior, in that it is now possible to discuss simultaneously the internal and external workings of organizations. This has enabled students of organizational behavior to describe systematically the reciprocal nature of the internal and external interaction patterns of organizations.


5 Michael Aiken and Jerald Hage, "Organizational Inter- dependence and Intraorganizational Structure," American Sociological Review, 33 (1968), pp. 912-930. These authors investigate the relationship between organizational interdependence and internal organizational behavior. They suggest that the more complex an organization, the greater is its need to integrate itself with other organizations in the community structure.
B. Social Behavior as Exchange

One of the oldest and most useful, but least employed views of social behavior, according to George Homans, is one which characterizes interaction between social units as an exchange of both material and non-material goods. Homans notes that most social scientists, with the exception of the economists, have neglected to adequately develop theories of social behavior based on an exchange model. In order to fill in this gap in theory Homans, among others (Thibault and Kelly), has articulated an exchange framework which helps to explain interpersonal interaction. The theory describes social behavior in terms of the rewards exchanged and the costs incurred in interaction. There are four concepts which are basic to this exchange theory: reward, cost, outcome and comparison level.

1. Reward is a very broad concept including any activity on the part of one person that contributes to the gratification of another person's needs.

2. Cost is also a broad concept. It refers to the costs of engaging in any activity and includes not only

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punishment incurred in carrying out that activity, but also includes the value of rewards lost by engaging in that activity rather than alternate ones.

3. Outcome refers to rewards of interaction less costs of interaction yielding either a profit or loss.

4. Comparison level indicates the level of expectation that a person has for outcomes in interaction with people other than the one with whom he is presently interacting. For interaction to continue the outcome must be above some minimum level of expectation. Comparison level then is a standard against which satisfaction is judged.

With the aid of the above four concepts exchange theory is able to bring together in a comprehensible fashion a wide variety of data on interpersonal interaction: it explains why certain people are interacted with more frequently than other people; it offers an explanation of why similarity between persons (background, values, etc.) leads to mutual attraction; it also explains why complementary traits among people lead to continued interaction; and it explains how the probability for interaction with a person is determined by how positively interaction with that person is valued. An added advantage of exchange theory is that it lends itself easily to process analysis. One can trace sequential steps describing the initiation and continuation of interaction.
Romans notes at least four stages: first is a period of sampling and estimation; followed by a period of bargaining; and then commitment; with institutionalization being the last of the four steps.

C. Interorganizational Relationships: An Exchange Model

The exchange theory developed to explain and describe interpersonal interaction can also be employed to understand interorganizational interaction. Like relationships between people, relationships between organizations are a form of social behavior. With the aid of the systems perspective it is possible to say that the major difference between people and organizations, aside from specific differences in function and composition, rests only in the systemic level of the unit of study. It is possible, as Gordon Hearn has shown, to draw or at least to hypothesize analogies among various levels of systems. Levine and White have done just that in articulating a conceptual framework which explains interorganizational
relationships in terms of exchange theory.

This conceptualization is based on two hypothetical statements: that organizations can and do interact with one another regardless of whether they implicitly or explicitly agree to do so; and that individual organizations can be seen not only as separate and complete entities in themselves, but also as component parts of larger systems. For example, a family service agency can be seen as part of the larger social service system, or a school can be identified as lying within the boundaries of the educational system, or a hospital can be seen as a component of the health system. These larger systems can in turn be seen as involved in even larger systems such as the community or province.

Levine and White point out that individual organizations derive their specific goal formulations from the general and ideal "orientations" of the larger systems of which they are a part. Thus, the specific activities of social agencies are geared toward improved social functioning which is the general objective of the social service

system, the specific efforts of schools aim at socialization of the young which is the general objective of the educational system, and the energies of health agencies are directed toward the prevention and cure of disease which is the general objective of the health system. To achieve its specific objectives each organization must have access to certain resources or "elements" which fall into three major categories: (1) the organization must have access to a population requiring the service it chooses to offer (While clients are not generally identified as a resource, it is apparent that organizations do have an investment in client finding, selecting and "selling"); (2) the organization must control certain resources in the form of equipment and specialized knowledge, or the funds with which to procure them; and (3) the organization must be able to recruit the services of personnel who can direct the second category of elements to the first.

Levine and White note that "few, if any, organizations have enough access to all of these elements to enable them to attain their objectives fully." Because of this scarcity of resources organizations are forced to limit themselves to specific functions which allow them to realize their objectives as fully as possible.

Levine and White, op.cit., p.314.
In spite of this increased specificity, however, an organization very infrequently achieves its objectives without establishing relationships with other organizations engaged in related or similar kinds of activities. For an organization to remain completely independent and to fulfill its functions, it would have to obtain all of the necessary resources directly from the community or from other original sources. This is an unlikely situation since in most cases other organizations engaged in similar types of activities control some of the necessary resources. In order to fulfill its limited functions, then, the organization attempts to obtain from these other organizations the elements it requires, i.e., resources are transferred or exchanged from one organization to another. This kind of organizational exchange is defined by Levine and White as "... any voluntary activity between two organizations which has consequences, actual or anticipated, for the realization of their respective goals or objectives."

At this point an important distinction should be made between the views of exchange expressed by Homans and those expressed by Levine and White. For Homans, both parties to the exchange are engaged in reciprocal activity in that both weigh the rewards and costs of the initiation and continuation of interaction, and each attempts to motivate the other.

Ibid., p.315.
to maximize his own rewards while attempting to minimize his own costs. Levine and White do not see reciprocal activity as a necessary requirement for exchange. For Levine and White both parties to the exchange need not engage in behavior intended to motivate the other into a specific activity. It is only necessary that the objectives of the interacting organizations be met through the exchange.

D. Modes of Organizational Co-Existence

Levine and White have developed a rationale explaining why it is that organizations engaged in relatively similar kinds of activities or "systems" interact with one another through exchanges of resources. These authors pragmatically note that organizations interact with one another in this manner because there is a need to do so if the respective objectives of each are to be met. Thus, Levine and White are able to demonstrate that certain organizations are interdependent. However, to state on a conceptual level that organizations are interdependent, or in other words, that they mutually coordinate their activities, is quite different from what one may observe in their everyday experiences in the community. Aside from organizational interdependence, at least two other modes of organizational coexistence have
been noted: independence and conflict. Reid identifies independence as that situation in which two organizations neither require each other's elements nor interfere with each other's goal achievement. In such a situation there is little need for exchange. Interdependence can be described as a state in which each coexisting organization perceives that its own goals can be realized with the other's resources. In this case organizations are drawn into exchanges. And conflict is defined as a situation in which the goal achievement of one organization is perceived as occurring at the expense of the goal achievement of another. Organizations engaged in conflict generally have in their possession resources required by the other organization.

E. Organizational Determinants of Mode of Co-Existence

To account for these divergent modes of organizational co-existence Levine and White identify three of their determinants. They are: (1) the accessibility to each organization of necessary elements from sources outside of the system

to which it is related, e.g., health system, social service system, educational system; (2) the objectives of the organizations and the particular functions to which they allocate the elements they control; and (3) the degree to which domain consensus exists among the various organizations. All three of these factors play some role in determining how elements are exchanged among organizations.

(1) Organizations have varying degrees of access to resources outside of the local system. Those organizations which can successfully amass these necessary elements are less dependent on other organizations than those which cannot, and thus have less need to interact with other organizations than do the latter. Levine and White found that an organization’s ability to procure necessary elements outside of the local system depended in part on its organizational structure, i.e., organizations having a "corporate" structure - a structure in which authority is delegated downward from national or state levels to a local level, were better able to obtain resources outside of the local system than were organizations having a "federated" structure - a structure in which authority is delegated upward from the local level to state or national levels.

Because organizations having a corporate structure are less dependent on the local system and interact less with local organizations, these latter organizations have little opportunity to influence the activities of the corporately structured organizations. Furthermore, because the corporately structured organization is responsible to and thus evaluated by a parent organization (at the state or national level), its first obligation is to that organization and not to the local system. Of course, there is no guarantee that the objectives of the parent organization will correspond to the objectives of the local system. Thus, the corporately structured organization may employ different criteria to evaluate its success than do other organizations included in the local system. Because of the different sources of authority of the corporate and federated organizations and the correspondingly different goal formulations, it may be difficult for them to interact with one another in an interdependent fashion.

(2) Function is defined by Levine and White as "...a set of interrelated services or activities that are instrumental, or believed to be instrumental, for the realization of an organization's objectives." Generally, different organizations in a community have different functions and

13 Levine and White, op.cit., p. 315.
these functions help determine how an organization will allocate its resources both internally within its own boundaries and among other organizations. Organizational function also helps determine how dependent one organization will be on other organizations for specific kinds of resources. These degrees of control and dependency will play some role in determining the amount and kind of interaction that will occur between organizations. Levine and White found, for example, in their study of health agencies in one community that these agencies providing a direct health service, such as treatment, to the local community, were involved in far more exchanges with other organizations in the health system than were organizations providing a non-direct health service, such as health education.

(3) Every organization has what can be termed an organizational domain. Levine and White refer to organizational domain as "...the specific goals it...(the organization)...wishes to pursue and the functions it undertakes in order to implement its goals." Organizational domain identifies the problem area of concern to the organization, the population it intends to serve, and the kinds of services it is going to provide. By identifying its domain, an organization indicates its goals and functions, and thus announces

Ibid., p.322.
to other organizations the resources it requires. It is apparent that for exchanges between organizations to occur, the organizations will have to agree to each other's organizational domains. Domain consensus refers to the degree to which organizations agree to and accept such other's domains.

Reid, like Levine and White, also identifies several factors affecting the manner in which organizations mutually interact with one another. Reid points to the need for - (1) shared goals; (2) complementary resources; and (3) efficient mechanisms for controlling whatever exchanges are involved - in order for interdependent activity to occur.

(1) Reid notes that where organizational goals are similar there exists a tendency for coordination, because each organization "...has a stake in the goal attainment of the other, and both therefore may become willing to enter into exchanges to further mutual objectives." Reid, however, makes a distinction between the stated goals of an organization and


16 Ibid., p.359.
its operational goals. It is the operational goals that in reality determine the organization's activities and thus are more important than stated goals in determining whether an organization will engage in coordinated activity with another organization. Reid notes that even where stated goals appear to be similar, there may be a breakdown of agreement at the operational level.

(2) While the sharing of goals is a necessary condition for interorganizational exchange, it is not a sufficient condition. It is also necessary for each organization to "...be able to provide the other with resources it needs to achieve its goals," i.e., interacting organizations must have complementary resources.

(3) The two conditions noted above are sufficient for relatively simple exchanges between organizations, however, more elaborate exchanges generally require extensive control mechanisms, e.g., interorganizational conferences and meetings, and accountability procedures. "These control devices require an investment of agency resources apart from resources involved in the actual exchange." Obviously, the costs in-

17 Operational goals seem to have the same meaning for Reid as function does for Levine and White.

18 Reid 1965, op.cit., p.363.

19 Ibid., p.364.
involved in establishing and maintaining these mechanisms must be in line with the anticipated rewards if interdependent activity is to be continued.

F. Organizational Co-Existence: Levels of Organizational Interdependence

Among organizations that are interdependent Reid identifies three different categories of coordination. This categorical index is based on the quantity and value of the elements exchanged.

(1) "Ad hoc case coordination" represents the lowest order of exchange. "At this level coordinated activity is generated by individual practitioners to meet the needs of particular clients. Decisions about what and when to coordinate are left to the practitioner. Formal interagency agreements are not usually involved. Specific exchanges include chiefly information, referral and, to a lesser degree, service."

(2) "Systematic case coordination" involves a higher degree of interdependent activity than ad hoc case coordination. Here, while the coordination is still at the level of the individual case, the goal is one... of meshing services

Ibid., p.358.
from different agencies in relation to the particular case."

Generally, the involved organizations formulate agreements covering such things as the allocation of responsibilities.

"Special interagency coordinating devices, such as case conference committees, may be set up. At this level interagency exchanges are systematic and extensive. Exchanges of information and referrals are routine. There is emphasis on planned exchanges of service."

(3) The most sophisticated level of exchange is "program coordination." "Here coordination is centered not on individual cases, but on agency programs. This level of coordination includes development of joint agency programs, mutual assistance in development or extension of programs, or mutual modification of programs to bring about more rational alignment of agency functions."

It must be emphasized that these three levels of organizational interdependence demand varying degrees of investment on the part of the interacting organizations. Reid feels that this could account "...for the relative scarcity of

21 Ibid., p.358.
22 Ibid., p.358.
23 Ibid., p.358.
G. Dimensions of Exchange

On an operational level, Levine and White identify four "dimensions" which can be employed to describe an actual exchange situation. It is first of all necessary to identify the parties to the exchange. Second, the kinds and quantities of elements exchanged must be described. Third, the implicit or explicit agreement underlying the exchange should be articulated. And last, the direction of the exchange (unilateral, reciprocal, or joint) should be noted: unilateral exchanges occur where resources flow from one organization to another and no elements are given in return; reciprocal exchanges occur where elements flow from one organization to another in return for other elements; and joint exchanges occur where elements flow from two organizations acting in unison toward a third party.

H. Organization - Set

In order to complete the present theoretical discussion, one final concept should be introduced. It is the concept of "organization-set" developed by William Evan.

24 Ibid., p.359.

It will be remembered that Homans was one of the first sociologists to systematically make use of the exchange model in understanding social behavior, and that he employed this conceptualization specifically to examine interpersonal relationships. The present discussion, however, concerns itself with social behavior in terms of interorganizational relationships. To help bridge the gap between personal and organizational systemic levels Evan proposes the concept of organization-set which he borrows from Merton's concept of "role-set." Role set refers to "...the complex of roles and role relationships that the occupant of a given status has by virtue of occupying that status." The concept of organization-set employs as a unit of analysis not a particular status, but an organization or class of organizations and its interaction with the network of organizations in its environment. "In analyzing a particular organization-set...(Evan refers)...to the organization that is the point of reference as the focal organization." The other organizations involved with the focal organization in an exchange relationship can be identified as either input or output organizations. Input organizations are those upon which the focal organization

26 Ibid., pp.176-177.

27 Ibid., p.178.
depends for various types of resources or elements. Output organizations are those organizations that receive elements from the focal organization.

I. Summary

Within the literature on organizational behavior, there has been until recently only limited discussion of interorganizational relationships. The development of a conceptual model focusing on this aspect of organizational behavior awaited the articulation of general systems theory, a perspective which highlights interaction. George Homans employed the general systems perspective as a cornerstone in the construction of a theory explaining interpersonal relationships. In this theory Homans conceptualized interpersonal interaction in terms of exchanges of rewards between people. Building upon this original work, other theorists have attempted to apply the exchange model to an understanding of interorganizational relationships.

Levine and White offer perhaps the most comprehensive statement of interorganizational interaction. Their thesis can be summarized as follows: Every organization has objectives toward which it directs its activities. In order to achieve its objectives the organization must have resources in the form of clients, equipment, money, specialized knowledge,
personnel, etc. Few organizations possess enough of these resources to fully attain their objectives and thus must limit their activities to specific functions. Even by limiting their functions, however, organizations can seldom carry them out without establishing relationships with other organizations engaged in related activities, because these organizations control some of the required resources. Thus, organizations find themselves in a position where they must interact with one another through exchanges of resources in order to achieve their respective goals.

Around this core conceptualization Levine and White, as well as other students of organizational behavior, have identified several factors which seem to play some role in determining how organizations interact with one another. Interorganizational relationships seem to be affected by such variables as: organizational structure; access to resources; organizational objectives both stated and operational (functional); domain consensus; similarity of goals and complementarity of resources; and control costs involved in interaction. The conceptualization under discussion suggests that the preceding factors determine whether interorganizational relationships, or coexistence, are characterized by independence, interdependence or conflict. With greater specificity in
discussing interdependent relationships the preceding variables are also employed to help determine the level of interdependent activity.
APPLICATION

A. Applied Value

The obvious question must now be posed - of what applied value is the theoretical material presented? Does the exchange model as applied to organizational relationships answer any questions about the way in which organizations interact with one another? Homans, by using the exchange model, was able to answer certain questions about interpersonal interaction. Does the same hold true for interorganizational interaction? This is a question deserving empirical study. The following discussion is an attempt to find an empirical answer. However, what is to follow cannot be considered an extensive or rigorous investigation, but only as offering preliminary directions for further research.

Data for the description of four pieces of interaction between a secondary school and five other organizations have been collected during an eight month period while the author was placed in the secondary school as a social work student. The primary means of data collection is participant observation, with documentation offering a secondary source of material. Each of the descriptions is based on the preceding theoretical material, summarized and categorized in the following descriptive index.

DescriEtive Index

(1) Parties to the Exchange
   (a) Focal Organization  (b) Input Organization  (c) Output Organization

(2) Organizational Domain
   (a) Organizational Reference System (General Stated Objectives)
      (i) Education System  (ii) Health System  (iii) Social Service System
   (b) Specific Function of each Organization (Operational Goals Determine Need for and use of Certain Elements)
   (c) Clients Served.

   Does Domain Consensus Exist?
   - Are the Organizational Goals Similar?
   - Are the Organizational Resources Complementary?

(3) Direction of the Exchange
   (a) Unilateral  (b) Reciprocal  (c) Joint

(4) Resources Exchanged
   (a) Kinds  (b) Quantities

(5) Agreement Underlying the Exchange
   (a) Implicit  (b) Explicit

(6) Mode of Organizational Co-Existence
   (a) Independence  (b) Interdependence  (c) Conflict
      (i) Ad hoc case Coordination
      (ii) Systematic Case Coordination
      (iii) Program Coordination

(7) Organizational Structure
   (a) Corporate  (b) Federated

(8) The Manner in which Success is Evaluated

(9) Control Mechanisms
   (a) What Administrative Structures are Established?
   (b) What are the Administrative Costs of Coordination?
Upon completion of the four descriptive analyses, comparisons among them are made and tentative conclusions drawn.

B. Setting

First, the organizational setting of the school will be described. The school, which for the purposes of the present discussion is considered the focal organization for all interchanges, is an expansive regional, secondary, polyvalent school situated in a suburban community lying outside of a large metropolitan centre. The school serves the entire Protestant English speaking population of the suburban community, which is approximately twenty per cent of the total population. The other eighty per cent of the population is Catholic and French speaking, and is served by a separate school system. The community's total population is approximately 250,000. While technically the school serves only the Protestant English speaking population, in fact it serves the entire English population regardless of religious affiliation, except for English Catholics. The school is thus serving a very heterogeneous religious, ethnic as well as economic population. In other words, the school is confronted with a wide range of needs.

In very general terms, the school can be seen as a

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component part of the educational system which has the broad objective of socialization of the young. The school's specific function, however, is to provide a direct educational service to the local community. By law, the school is responsible for the secondary education of all English-speaking Protestants who have completed primary education and who reside within the geographic jurisdiction of the school. In an attempt to meet its responsibilities, the school is engaged in essentially two kinds of activities which follow from the definition of socialization, i.e., teaching specific knowledge and skills, as well as attitudes, values and behavior. While these two aspects of socialization are of course inseparable, the school does separate them operationally. The majority of the school's resources is invested in teaching specific knowledge and skills to students, i.e., the school hires specialized personnel and provides them with necessary physical resources, such as classroom space, writing material, books, etc. A lesser part of the school's resources is committed to the social functioning of students. The school hires such specialized para-educational personnel as guidance counsellors, nurses, social workers, psychologists, etc., to staff what is referred to as pupil personnel services, which focuses on the interpersonal, social and health aspects of education. These personnel provide both direct services in the form of personal
counselling, vocational guidance, etc. and indirect services such as referral and health education. Reflecting its specific functions, the school evaluates its performance in terms of the numbers of students it is able to graduate.

The school's broad organizational structure can be described as both corporate and federated (see figure 1). Within that organizational structure authority is delegated from the provincial Department of Education to the regional school commission and eventually to the school. The Protestant regional school commission is composed of representatives of all the local Protestant school commissions which collectively organize primary education for the school districts within the geographic area covered by the regional school commission. These representatives are elected by the local community to the local school commissions. The local school commissions then elect representatives from among their members to sit on the regional school commission. It should be noted that like the regional school commission, the local ones obtain their authority from the provincial Department of Education. The regional school commissioners delegate authority to appointed administrators who help articulate educational policy for the schools. These administrators engage other personnel to implement these policies within the individual schools, the particular school under discussion being one of them.
Figure 1
C. Illustration: School/Correctional Agency

One of the school nurses encountered a problem for which she had no solution. One of the male students, nineteen years old and attending special orientation classes (classes for educable retarded), had been arrested for shoplifting at a local shopping centre. Because of his age he was to appear in criminal court, instead of juvenile court as is usually the case for high school age students. The nurse was afraid that the boy might have to spend some time in jail if he were found guilty. This the nurse felt would be detrimental to the boy’s educational interests. Being uninformed about court procedures, she contacted the school social worker asking for advice. He too knew little about the court, but did know of the existence of a correctional agency familiar with and to the court. He advised the nurse to seek out assistance from that agency, which she did. A worker from the correctional agency agreed to accompany the boy to court and intervene on his behalf. As a result, the boy received a suspended sentence and a minimal fine. Thus, the boy was able to remain in school.

This case represents the first and only time that the school has interacted with the correctional agency. Once the case was terminated from the point of view of the correctional agency worker, no further contact with the school was maintained.
(1) Parties to the Exchange

(a) Focal Organization  (b) Input Organization
School                        Correctional Agency

(2) Organizational Domain

(a) Reference System

This correctional agency is part of the social service system which has as its general objective improved social functioning.

(b) Specific Functions

This agency commits most of its resources to providing direct services to the community. It attempts to assist all non-French speaking offenders, ex-offenders and accused throughout the province. Most of the services provided to these clients is in the form of casework for parolees and probationers, with some group work being done with prison inmates. The Agency also administers to ex-convicts some welfare funds, and helps ex-convicts find employment.

(c) Clients Served

All English speaking Protestant and Catholic convicts and ex-convicts residing in the province and who either request service or who are placed on parole or probation. Most of its clientele is not voluntary.

Domain consensus between the school and the correct-
ional agency cannot be said to exist. While their goals are compatible they are not very similar except in the broadest sense. As well their resources are not complementary. Furthermore and perhaps most important is the fact that both organizations had no previous knowledge of each other's existence. Without this knowledge domain consensus cannot exist, because neither organization has a clear picture of the other's organizational domain.

(3) Direction of the Exchange

The exchange was a unilateral one with resources being transferred from the correctional agency to the school.

(4) Resources Exchanged

The resource exchanged was "specialized knowledge" about court procedures. This resource was required by the school in order that it achieve its objectives. It can be argued that the school transferred to the correctional agency a resource in the form of a client and thus the exchange is reciprocal. However, the correctional agency was not in need of clients, especially the kind sent to it by the school. The correctional agency did not receive in exchange for its resource, another resource which it needed, unless one considers the goodwill of the school as a resource. However, even this resource is not required by the correctional agency.
(5) Agreement Underlying the Exchange

There does not seem to be any explicit agreement between the school and the correctional agency around the exchange that occurred. In fact, the school, as represented by the nurse was not aware of the existence of the correctional agency until the social worker informed her. It is also doubtful that the correctional agency had previously thought of obtaining resources from the school.

(6) Mode of Organizational Co-Existence

The mode of co-existence between the school and the correctional agency during the exchange was interdependent at the level of ad hoc case coordination. All of the coordinated activity around the needs of the client occurred at the level of individual workers within the two organizations. Since there was no continued interaction upon termination of the case, co-existence returned to an independent state of affairs.
This correctional agency occupies a relatively unique position among Protestant social agencies serving the metropolitan community. Most other Protestant agencies delegate authority to a local Protestant federation. These agencies first obtain their authority from the provincial government.
In the case of the correctional agency, however, formal authority comes directly from the Protestant federation, i.e., authority is delegated downward to the correctional agency. The direction of authority cannot be thought of as exclusively downward, however. Because of the agency's involvement at the community level the direction of authority can be thought of more as reciprocal than downward. The correctional agency obtains further authority from the local community as a result of the purchase of services by the local federation of English Catholic social agencies. The federal and provincial governments also purchase services from the correctional agency, i.e., probation and parole supervision. However, the majority of funds are obtained from the local community.

The correctional agency is also a member agency of a provincial federation of correctional agencies. This is a very loose federation composed of police departments, bar association, certain social agencies, etc. This organization provides no direct service.

(8) The Manner in which Success is Evaluated

The correctional agency evaluates its success in terms of recidivism, i.e., the number of its clients who return to crime (and are caught).

(9) Control Mechanisms

No administrative structures were established.
D. Illustration: School/Child Welfare Agency

Early in the school year, foster children attending the high school were identified because of their general acting out behavior as having special problems and requiring special school services. As a result several members of the school's pupil personnel team decided to contact a child welfare organization which was responsible for foster care, in order to explore with that organization improved services to foster children. Until this point in time relations between the school and the child welfare agency had not been overly amicable. There had been in the past discussions between the two organizations around individual cases. This contact was very limited and was not seen by either organization as particularly helpful in dealing with the client's problems.

The new contact initiated by the school did not result in the desired effect of joint planning. After three meetings, the school and the child welfare agency decided to discontinue their attempt at joint planning. In spite of this failure in relation to the school's original proposal, it was observed, after termination of the planning group, that there was increased interaction between the two organizations around individual cases and that relations between the two organizations were not as unfriendly as they had been in the past. The three meetings that had been held were sufficient
for both the school and the child welfare agency to discover what could realistically be expected of one another, i.e., respective goals were clarified.

(1) Parties to the Exchange

   (a) Focal Organization  
       School

   (b) Input Organization  
       Child Welfare Agency

(2) Organizational Domain

   (a) Reference System

       The child welfare agency is part of the social service system which has as its general objective improved social functioning.

   (b) Specific Functions

       This organization provides direct child welfare services to the entire English speaking Protestant population residing in the geographic area immediately surrounding and including the Metropolitan centre. In the broad area of child welfare, the agency provides three kinds of services: unmarried parents' services, which consist of individual and group counselling for unmarried mothers; adoption services, which consist of the legal placement of children in adoptive homes; and foster care services, which include recruitment of substitute parents, placement of children in suitable homes and supervision of these homes. Casework is the main method of operation, with some group work. Some community organization methods are being employed in bringing about "institutional
change" within the community being served.

(c) Clients Served

This agency has as clients all English speaking Protestant children below eighteen years of age residing in the metropolitan region and requiring child welfare services. While the area served by the child welfare agency is larger that that served by the school, the child welfare agency is more selective than the school in its clientele.

At the point at which the attempt at joint planning was initiated, domain consensus between the school and the child welfare agency did not exist. Neither organization held a clear idea of what the respective specific functions and resources of the other were. As a result of this lack of knowledge about their respective organizational domains, the school and the agency interacted with one another only minimally. However, after the attempt at joint planning, organizational domains became clearer and it was then possible for the two organizations to exchange resources with one another. After the joint planning effort domain consensus did exist.

(3) Direction of the Exchange

The exchanges between the school and the child welfare agency were reciprocal.
(4) Resources Exchanged

Information about another organization, while seemingly an intangible resource, is still a necessary one for an organization attempting to achieve its goals with the use of the resources of that other organization. The information that the secondary school and the social agency exchanged was information about each other's specific functions. By drawing a clear picture of their functions, the school and the agency were able to communicate to one another what their respective goals were and the resources to which each had access. With this information the two organizations could arrive at respective decisions about the need for interaction with one another. The two organizations concluded that joint planning was not needed, but that interaction at the level of individual cases was required. Further interaction between the two organizations took place at this level after termination of the joint planning project. After this point the school and the agency exchanged on a need basis resources in the form of information about and services to specific clients.

(5) Agreement Underlying the Exchange

While it might seem that the school and the agency made conscious and deliberate decisions about the kind of interaction they would have with one another, such was not the case. There was no explicit agreement stating that inter-
action between the two organizations would occur at the level of individual cases. This kind of interaction was more an unexpected "side-effect" of the earlier attempt at joint planning which failed.

(6) Mode of Organizational Co-Existence

Reid points out that there are only subtle differences in definition between organizations engaged in interdependent activity and those engaged in conflict. This appears to be borne out by the experience of the school and the agency. Initially, interaction between the school and the social agency was characterized by conflict. This conflict revolved around the perception that each organization had of the other's goals, i.e., each organization felt that its goals were being undone by the other organization. Interdependent activity between the two organizations began when an attempt was made at joint planning, i.e., program coordination in Reid's terms. This attempt failed. However, it resulted in a change in continued interaction from co-existence in terms of conflict to co-existence in terms of interdependence at the level of ad hoc case coordination.
The organizational structure of the child welfare agency has elements of both a corporate and federated nature. The agency is involved in a corporate structure with the provincial government. The Social Affairs Ministry of the provincial government formally delegates authority to this agency which provides a direct social service to a designated population group. It is the elected board of directors of the agency which accepts this authority from the provincial government. These directors, who are usually community residents, employ
a professional staff whose task it is to provide the specified social services to the designated population group. This professional staff has organized itself into various departments one of which is responsible for foster care in a geographic area including the geographic area of jurisdiction of the school.

The agency is also involved in a federated structure with other English speaking Protestant social agencies in the community. The child welfare agency delegates some of its authority to this federated organization which does not provide any direct service to the community and which is not responsible to the provincial government, the original source of authority. The purpose of this federation is to allocate private funds to and coordinate the activities of all of the member agencies.

(8) The Manner in which Success is Evaluated

The child welfare agency evaluates its success in terms of the number of children it is able to serve, i.e., place in foster homes.

(9) Control Mechanisms

When the school and the child welfare agency attempted program coordination an administrative structure was established in the form of regular joint planning meetings. However, the rewards gained by interdependent activity at this level were insufficient for the maintenance of these administrative structures, i.e., they were too costly.
No administrative structures were established in order to implement interdependent activity at the level of ad hoc case coordination. Interaction at this level occurred between the individual workers of the agency and the school as the need arose.
E. Illustration: School/Family Service Agency

The school and a family agency have been interacting with one another over the past three years, i.e., ever since the agency, a branch office of a parent organization located in the nearby metropolitan community, was opened in the local community. Initially, this interaction involved the referral by the school to the agency, on a need basis, of students requiring social services. During the first year that the local agency was in operation, however, the numbers of referrals from the school became so large that during the second year the school and the agency decided to place a social worker within the school system. This agreement between the school and the agency was carried out in accordance with guidelines established by the Social Affairs Ministry (the then Department of Family and Social Welfare) and the Department of Education, i.e., while the school social worker was to be housed in the secondary school and the school would be administratively responsible for the social worker's activities, the family agency would supervise him and pay his salary.

This agreement was upheld by both parties during its first year. However, in the second year of the agreement, the agency was unable to recruit a suitable school social worker. As a result, the school did not have available to it the permanent use of a social worker and attempted to again refer students to the family agency on a need basis. The agency, however, was not prepared, at this point in time, to
accept new referrals from the school, because it was itself in a state where it had too many clients and insufficient staff resources. This resulted in a conflict between the school and the agency. However, the conflict was not perceived by either organization as a deliberate attempt to undo their respective goals. The agency tried to help the school in emergency cases and the school only contacted the agency in case of emergency. Both, however, recognized the inadequacy of this arrangement.

Partly as a result of the lack of social services available to the school and partly because of other changes within the school system, school personnel, especially pupil personnel team members, began to question the relevance of some of the services being provided by the school. This questioning led to the creation of an investigative and planning committee composed of all pupil personnel team members. This committee soon arrived at the conclusion that services provided by the school depended, in part at least, on services being provided by other organizations in the community. As a result, the participation of the local family agency in the proceedings of the committee was invited. This committee, having joint membership, could identify areas of common interest and could implement joint programmes, e.g., both the school and the agency want to use group work methods more extensively. This became apparent during one of the committee
meetings. Neither organization, however, has easy access to sufficient resources to implement a group work program. Together, though, the school and the agency can amass enough money to hire a group work consultant who could conduct an in-service training program which would meet the needs of both organizations.

(1) Parties to the Exchange

(a) Focal Organization  (b) Input Organization
    School  Family Service Agency

(2) Organizational Domain

(a) Reference System

The family service agency is part of the social service system which has improved social functioning as its general objective.

(b) Specific Functions

This family service agency is a multi-function organization providing a direct social service to families and individuals residing in the community. Individual counselling, i.e., casework is the core service provided with some community organization and group work activities also being undertaken. For the elderly, the agency also administers two residences. As well, the agency provides limited homemaker services to families requiring them.

(c) Clients Served

The branch office of the family agency provides
direct service to all English speaking Protestant residents of the local community who request it. (In fact, however, all English speaking residents regardless of religious affiliation are accepted by the agency). The geographic area served by the school and the agency branch office is identical.

Throughout the history of interaction between the school and the agency, domain consensus has existed. Both organizations have relatively similar goals, i.e., concern with social functioning and their resources are complementary - the school has easy access to certain clients as well as to specific kinds of personnel and the family agency has specialized knowledge often required by the school. The only point at which domain consensus may not have existed was while the two organizations were engaged in conflict. Conflict occurred because the school wanted the family agency to expand its organizational domain.

(3) Direction of the Exchange

All of the exchanges that occurred can be thought of as reciprocal, except for the decision by the family agency not to provide the school with social services.

(4) Resources Exchanged

During the first two years of interaction between the two organizations the resources exchanged consisted of clients and manpower with specialized knowledge. The school provided the clients and the agency provided the expertise.
During the third year of interaction there were initially only limited exchanges of the above resources, and only when absolutely necessary. Later in the third year, however, the exchanges did not centre around specific services to clients. Rather the exchanges occurred around program development. Interaction at this point was characterized by mutual exchanges of information, specialized knowledge and funds.

(5) Agreement Underlying the Exchange

All of the exchanges that occurred were founded in explicit agreements. While this is obviously true for the agreement which led to the placement of a social worker in the school system, it is also true for the earlier exchanges that occurred around service to individual clients. As well, all exchanges which followed from the joint committee were explicit, i.e., both parties to the exchange knew what resources each was contributing before the exchange actually took place. Perhaps the one time when the agreement was not explicit occurred when the family agency could no longer supply the school with sufficient social service resources. There seemed to be an implicit agreement that only emergency cases would be referred by the school and accepted by the agency.

(6) Mode of Organizational Co-Existence

Interdependence, at the level of ad hoc case coordination, characterized the initial mode of co-existence. This first level of interdependent activity soon shifted to the level of systematic case coordination when a social worker
from the agency was placed in the school. Organizational co-existence changed, however, from interdependence to conflict when the family agency was unable to provide a permanent social worker or any social services to the school. This conflict manifested itself around questions relating to the input of resources to which each organization was committed. It should be noted that this kind of conflict, according to Reid, can occur only where interdependent activity is in process or anticipated.

Most recently organizational co-existence has returned to interdependence, but this time at the level of program coordination. The two organizations are presently attempting to align their services in a more rational manner in order that the objectives of each be realized.

(7) Organizational Structure

Figure 4
The organizational structure of the family service agency has both corporate and federated characteristics. The agency is involved in a corporate structure with the provincial government. The provincial government through the Social Affairs Ministry, formally delegates authority to the family agency which provides a direct social service to a designated population group. It is the elected board of directors of the agency which accepts this authority from the provincial government. These directors, who are usually community residents, employ a professional staff whose task it is to provide the specified social services to the designated population group. This professional staff has organized itself in such a way that it has a branch office located in the geographic community serving the same general population as the school.

The family agency is also involved in two federated structures: (1) The agency belongs to a federation consisting of all English Protestant social agencies serving the community. The purpose of this federation is to allocate private funds to and coordinate the activities of all of its member agencies; (2) The agency also is a member of a second federation which is an accrediting and standard setting organization for family agencies located throughout North America.

(8) The manner in which Success is Evaluated

This family agency evaluates its success in terms of the numbers of clients it is able to serve.
(9) Control Mechanisms

During the initial stages of interaction between the two organizations no administrative structures were established. Interaction around clients occurred on a need basis between individual workers of the two organizations. However, administrative structures were established when a social worker was permanently placed in the school. These structures, established in accordance with the guidelines of the provincial government, were not very elaborate, i.e., representatives of the school and the agency were required to meet three times a year. Rather extensive administrative structures, i.e., weekly meetings and frequent communications, were established when the two organizations attempted to co-ordinate their programs.
The school nurses who have a great deal of contact with special orientation students (educable retarded) noticed that many of these children were in need of dental care. Upon preliminary investigation of the problem the nurses found that many of the children came from families which could not financially provide the necessary dental treatment. As a result, the nurses began searching around the community for funds to initiate a dental program.

The nurses discovered that a local convalescent hospital had dental equipment which it was prepared to loan to the school and that all of the dentists in the local community were prepared to donate some of their time and expertise to a school sponsored project. Thus, the school in cooperation with the hospital and the dentists was able to organize a dental program intended to deal with the problem originally identified by the school nurses.

In order to implement the program one of the school nurses had several meetings with the administrators of the convalescent hospital. She also met several times with the dentists, who organized themselves into an action group and elected one of their members a liaison person. The nurse also brought the hospital and the dentists action committee together, As well, she spent some time with administrators
within the school to explain the project and to obtain their approval and support.

(1) Parties to the Exchange

(a) Focal Organization
   School

(b) Input Organization
   (i) Convalescent Hospital
   (ii) Dentists Action Committee

(2) Organizational Domain

(a) Reference System
   (i) Convalescent Hospital

   This organization is part of the health system which has as its general objective the prevention and cure of disease.

   (ii) Dentists Action Committee

   This organization is part of the health system which has as its general objective the prevention and cure of disease.

(b) Specific Functions

(i) The hospital provides de jure a direct convalescent and rehabilitation service to all residents of the province. The object of the hospital's activities is to prepare patients to return to their families. This is accomplished by providing such services as: medical and nursing care, occupational therapy, physiotherapy, social services, speech therapy, etc. The majority of the hospital's resources are in the medical and nursing areas.
It should further be noted that as a result of sectorization of hospital services throughout the province, this hospital is presently negotiating with provincial authorities to become the hospital responsible for health care in the local community. As a result there is an anticipated and desired change in the specific function of the hospital.

(ii) The specific function of the dentists action committee is to provide a direct service, in the form of dental care, to a group of students identified by the school nurses as requiring dental treatment. The dental service provided takes the form of an oral examination and subsequent treatment of tooth decay. This organization is ad hoc and completely task oriented.

(c) Clients Served

(i) While the hospital is intended to serve all adult residents of the province of Quebec requiring convalescent and rehabilitation services, in fact 99% of the patient population resides in the metropolitan area, with the majority of these patients being referred by a single general hospital.

(ii) For the purposes of this project those children identified by the school nurses as requiring service comprise the client population. However, the dentists, making up the membership of the committee, collectively provide dental care to all residents of the local community.
While in this latter sense it can be seen that the client population of the members of the dentists action committee is the entire local community, a distinction should be made between the clientele of the individual dentists and those of the dentists action committee.

Domain consensus does exist among the three organizations participating in this joint project. Organizational goals are similar. In fact two of the organizations, the school and the convalescent hospital, helped formulate the organizational goals of the third, the dentists action committee. As well, the organizational resources involved in the project are complementary. The school provides the clients, the hospital provides the necessary equipment, and the dentists action committee provides the manpower and specialized knowledge.

(3) Direction of the Exchange

The exchanges that occurred are reciprocal.

(4) Resources Exchanged

As noted earlier the resources exchanged involved clients, equipment, manpower, and specialized knowledge. However, a more intangible resource than any of the preceding ones was also involved in the exchange. The school, which provided the clients, also transferred to both the hospital and the dentists a great deal of prestige. The school nurses
who have frequent contact with a wide variety of voluntary and philanthropic organizations, e.g. ladies' clubs at local churches, Kiwanis, etc., never fail to publicly praise the hospital and the dentists for their involvement in community projects. Thus, the nurses become excellent public relations representatives for the local health establishment. As well, the hospital, which is desirous of becoming the regional health centre, can point to its involvement in the community when negotiating with the provincial government.

(5) Agreement Underlying the Exchange

The agreement underlying the exchange of tangible resources was an explicit one. It was very clearly stated by all parties to the exchange who would be responsible for supplying which resources. This agreement occurred prior to implementation of the project.

(6) Mode of Organizational Co-Existence

Prior to the "searching" activity of the school nurses, all three of the organizations were relatively independent of one another. While all three organizations are concerned with health as a general goal, the specific functions of each are quite different. However, a combination of circumstances - client need, desire of the hospital to become a regional health centre, and the dentists' interest in community affairs - merged in the formulation of an interdependent action at the level of
program coordination. It remains to be seen whether this project will lead to continued program coordination, or a return to co-existence at an independent level.

(7) Organizational Structure

(1)

Figure 5.

The organizational structure of this hospital includes elements having both federated and corporate characteristics. First of all, the hospital is involved in a corporate relationship with the provincial government (Social Affairs Ministry) which is the body which formally delegates authority to the
The dentists action committee is a federation whose authority is derived from the individual dentists who comprise its membership. The members are all dentists serving the local community.

(8) The Manner in which Success is Evaluated

(i) According to its stated goals the convalescent hospital evaluates its success in terms of the number of patients who return to their homes. In relation to the present project, the hospital could be further evaluating its success in terms of its presentation of itself as the regional health centre.

(ii) The dentists action committee evaluates its success in terms of the number of students who receive the required dental care.

(9) Control Mechanisms

Quite extensive administrative structures were established in the planning and implementation of this project. Regular meetings involving the school, the hospital, and the dentists were held. For the most part, the costs involved in establishing these structures were accepted by the school, i.e., the school nurses took on the responsibility of activating and maintaining the interest of both the hospital and the dentists.
DISCUSSION AND CONCLUSIONS

Levine and White have suggested that the accessibility an organization has to resources outside of the system to which it is related in part determines its mode of organizational co-existence. This appears to be confirmed by the preceding data. This conclusion becomes readily apparent as we compare interaction between the school and the three social agencies.

According to Levine and White's central thesis all organizations are continually searching for clients to serve, i.e., clients can be perceived as a resource. Each of the three social agencies has varying degrees of need from the school of resources in the form of clients. The correctional agency has easy access to clients through the correctional system and the child welfare agency has relatively easy access to clients through its system. In fact both of these organizations have access to a captive clientele. Only the family service agency is dependent on voluntary referrals from other organizations in order to obtain sufficient numbers of clients.

The family service agency which could potentially obtain the greatest number of clients (resources) from the school interacted with it the most both in terms of quantity of interaction and level of interdependence. The child welfare agency which had relatively little need of clients from the school interacted with it less, again both in terms of
quantity of interaction and level of interdependence. The correctional agency which had no need of clients from the school interacted with it the least. In fact, except for a single occurrence of ad hoc case coordination, the correctional agency can be seen as existing independently of the school. This analysis indicates that there may be a direct relationship between an organization's need for resources from another organization and the kind and quantity of interaction which these organizations have with each other.

This relationship appears to hold true from the point of view of the school as well. The school has the greatest need of resources - in the form of service and specialized knowledge - from the family agency. It has a lesser need of resources from the child welfare agency and a negligible need of resources from the correctional agency. The school interacted most extensively with the family agency, less extensively with the child welfare agency, and the least extensively with the correctional agency.

(2) Further, Levine and White hypothesize that an organization's access to resources outside of the system to which it is related is influenced by its organizational structure. Corporate organizations can obtain necessary resources from within their respective systems, while federated organizations must depend more on the local community system. While
the preceding data neither confirm nor deny this hypothesis, it is notable that of the three social agencies observed in interaction with the school, the correctional agency has an organizational structure different from that of the other two. All three of the social agencies have organizational structures combining corporate and federated characteristics. However, while the child welfare agency and the family service agency are involved in a corporate relationship with the province and a federated relationship with the local community, the correctional association is involved in a corporate relationship with the local community and a federated relationship with the province, i.e., the corporate and federated relationships are reversed. This could perhaps account in part for the extreme differences in modes of co-existence between the correctional agency and the school, and the two other social agencies and the school.

Another observation worth noting is that with the exception of the dentists action committee, an ad hoc and completely task oriented group, all of the organizations which interacted with the school have neither exclusively corporate nor federated organizational structures, but a combination of the two. Levine and White formulated their hypothesis about the relationship between organizational structure and organiz-
national co-existence as though corporate and federated structures were mutually exclusive. Such is not the case, thus forcing one to consider the validity of a corporate/federated theoretical distinction. From the preceding data it would seem that it is not whether an organization has a corporate or federated structure that determines its mode of co-existence with another organization, but whether both organizations are knowledgeable about how to interact with one another. It is necessary that the personnel of both organizations know which component units of the other organization have sufficient control to make the desired exchange.

(3) Organizational objectives and functions have also been identified as important factors determining mode of organizational co-existence. An analysis of the four preceding illustrations indicates that both broad organizational goals and specific functions are central determinants of inter-organizational relationships. However, the relative importance of each is unclear from the data. Levine and White, as well as Reid suggest that specific functions have greater importance than broad organizational goals as factors influencing the quality of co-existence. By limiting the present analysis to the school's interaction with the three social agencies this appears to be true. However, interaction with the convalescent hospital does not confirm this. While all three
social agencies have a similar broad objective, improved social functioning, they all have different operational goals with the family service agency having goals which most closely approximate those of the school, the child welfare agency having goals further removed from those of the school, and the correctional agency having goals differing the most from those of the school. These degrees of similarity of function correlate closely with the level of interaction each agency experienced while relating to the school, i.e., the family service agency interacted with the school at a high level of interdependence, while the child welfare agency interacted at a lower level, and the correctional agency at the lowest level. This would seem to suggest that operational goals or functions are more influential factors than broad organizational goals in determining mode of organizational co-existence.

It should be noted, however, that the convalescent hospital, an organization which interacted with the school at a relatively high level of interdependence, has operational goals dissimilar from those of the school. This observation seems to be inconsistent with the above conclusion. An explanation for this inconsistency can perhaps be found in the fact that the convalescent hospital is expecting to alter its function sometime in the near future.

From an analysis of the data it can be tentatively
concluded that organizational goals and functions are important determinants of exchange, but that their relative importance is unknown.

(4) Reid notes that besides similarity of goals another important determinant of organizational co-existence is the degree of complementarity of resources. Reid suggests that for organizations to engage in interdependent relationships they must be able to provide each other with the resources required to meet their respective objectives. This conclusion seems to be supported by the preceding data.

In all cases where interaction between the school and other organizations has been illustrated necessary resources have been exchanged, either tangible as in the form of clients and/or intangible as in the form of prestige. As well, taken both from the points of view of the school and of the other organizations, the mode of organizational co-existence and level of organizational interdependence seems to be closely related to the degree of complementarity of resources. The school and the correctional agency had very little to exchange - their transaction revolved around a single client. As a result these two organizations interacted interdependently in a minimal way. In fact, their mode of co-existence can be thought of more as independent than interdependent.
The school and the child welfare agency had more resources which could be mutually exchanged and consequently were able to maintain an interdependent relationship with one another, even though that relationship established itself at the low level of *ad hoc* case coordination. The convalescent hospital and the dentists' action committee controlled resources highly desired by the school, as well as needing resources to which the school had access. This resulted in a high level of organizational interdependence around one project. The family service agency and the school continually required each other's resources in order to fulfill their respective functions. Thus, they were able to interact with one another at a high level of interdependence for a prolonged period of time. This analysis indicates that complementarity of resources does help determine the quality of organizational interdependence - the greater the degree of complementarity the higher the level of interdependent activity.

(5) Organizational domain has been identified in the literature as consisting of both the goals and functions held by an organization, and the resources required by it. We have already concluded, with varying degrees of certainty, that goals and functions as well as resources play important roles in determining mode of organizational co-existence. Levine and White further suggest that it is not only important that
similarity of goals and complementarity of resources exist in fact, but also that organizations accept each other's organizational domains, if interdependent activity is to occur, i.e., domain consensus is a necessary requirement of interorganizational exchange. An analysis of the preceding descriptive data appears to support this conclusion.

The absence of domain consensus has been observed at three instances among the preceding illustrations. Domain consensus was not observed during interaction between the school and the correctional agency, and their mode of co-existence has been identified largely as independent, not interdependent. As Levine and White note, organizations cannot arrive at consensus without knowing of each other's existence. Certainly the correctional agency had no previous knowledge of the school, and the school had no knowledge of the correctional agency, until a need within it arose. This lack of mutual knowledge about one another's activities did not allow for the existence of domain consensus.

Initial interaction between the school and the child welfare agency was characterized by conflict. Later their mode of co-existence became interdependent. This shift from conflict to interdependence closely follows the change in the degree of domain consensus held by the two organizations. At first, both organizations perceived each other as undoing
their respective goals, i.e., they threatened each others' organizational domains. With the input of reliable information, however, both organizations concluded that their goals were not mutually exclusive and thus were able to arrive at domain consensus and increased interdependent activity.

Conflict was also observed at one point during interaction between the school and the family agency, i.e., when the family agency could not provide the school with a social worker or social services, while school personnel felt that the family agency should be providing these services. Thus, the school wanted the family agency to expand its organizational domain, something the family agency was unable to do. This absence of consensus resulted in conflict. The conflict was not resolved until the school itself began to alter its organizational domain. By changing its domain the school also changed its perception of what the domain of the family agency should be. This resulted in a high level of interdependent activity as the family agency's domain became acceptable to the school, and vice versa.

Interaction among the convalescent hospital, the dentists action committee and the school was characterized by a high level of interdependence. It is interesting to note that these organizations had a high degree of domain consensus, and that in fact two of the organizations, the
convalescent hospital and the school, helped formulate the organizational domain of the third, the dentists action committee. This high degree of agreement seems to be related to the level of interaction linking these three organizations. This is especially noteworthy in view of the fact that all three organizations have quite dissimilar functions.

(6) William Reid feels that administrative costs are a factor seldom considered when organizations engage in interdependent activity. He maintains, however, that these secondary costs influence the level at which organizations interact with one another. Reid points out that relatively simple exchanges, such as those characterized by ad hoc case coordination, do not require very extensive control mechanisms, but that elaborate exchanges such as those included in program coordination do. These different controls have attached to them varying costs which must be taken into account in determining levels of interdependent activity. The higher the level of interdependence, the more elaborate and thus costly the administrative structures. The rewards gained from a high level of interdependence must be compared with not only the costs of actual resources exchanged, but also the cost of the control devices. If the administrative controls become too costly the high level of interdependence will not be maintained.
Interaction between the school and the child welfare agency illustrates this point exceedingly well. These two organizations attempted to interact with each other at the high level of program coordination. In order to accomplish this, control devices in the form of regular meetings between the staff of both organizations were established. However, the rewards gained from interaction at this level were far below the costs of maintaining that interaction. While both the school and the child welfare agency were concerned with foster children, there were relatively few children around which they had a common interest. As a result, the level of interdependent activity between the two organizations was lowered to that of ad hoc case coordination.

At this level, individual workers within both organizations contacted one another as the need arose. Since the administrative costs of this kind of interaction were minimal for both parties, it was maintained.

The above analysis contrasts with the history of interaction between the school and the family agency. These two organizations began to interact with one another at the level of ad hoc case coordination. Control costs were minimal until the number of individual cases with which both organizations were concerned became such that individual workers were constantly interacting. As a result the level of inter-
dependent activity rose to systematic case coordination, where
the administrative costs were less than the cumulative costs
of interaction at the previous level. Eventually, as more
areas of common interest were identified, the level of inter-
dependence again rose, this time to the level of program co-
ordination. While the administrative costs of this level of
interdependence were high for both organizations, the rewards
gained more than made up for them.

Interaction among the school, the convalescent hospital,
and the dentists' action committee provides an interesting
illustration of how organizations can spread costs among them-
selves. These three organizations interacted with one another
around a single project at the high level of program coordi-
 nation. The actual resources exchanged consisted of equipment
from the convalescent hospital, personnel and specialized know-
ledge from the dentists action committee, and clients from the
school. It is obvious on comparing each organization's in-
put of resources that the school has contributed far less than
either of the other two organizations. And yet interaction
at this high level was maintained. The answer to this can
perhaps be found in the fact that the school agreed to pay
the bulk of the administration costs of the project. It was
school personnel who did most of the project organizing. As
a result the convalescent hospital and the dentists action
committee were free of administrative burdens. Because the costs shared by the three organizations were thus equalized, a high level of interdependent activity was maintained.

The preceding analysis lends support to Reid's contention that the costs of administrative controls are an important factor affecting interorganizational relationships.

(7) At this point one final observation should be made which does not follow directly from the theoretical position of this document, but which is still worthy of note. This observation has to do more with the nature of a suburban community than with interorganizational behavior. An examination of the preceding descriptive material indicates that an important determinant of the mode of co-existence among organizations serving a suburban community is the organization's degree of service commitment to that community. Service commitment is a term referring to an organization's investment of resources. It is here being suggested that for each organization serving a suburban community, the greater its investment of resources, the greater its desired amount of interdependent activity.

The suburban community in which the present study took place is located close to a large metropolitan centre having available to it the services of a vast array of organizations. Some of these organizations also provide services to
the suburban community. As well, the suburb has organizations within its boundaries that serve only it. Among the previous illustrations, the organizations serving exclusively the suburban community include the school, the convalescent hospital (because of an anticipated change in function) and the dentists action committee. Still among the previous illustrations and among the organizations located in the metropolitan centre, but also serving the suburb are the correctional agency, the child welfare agency, and the family agency. Each of these organizations has made different service commitments to the local suburban community. The correctional agency has committed no resources specifically to the suburb. The child welfare agency has committed some resources in the form of establishing a single department which serves the geographic area including the suburb, but other areas as well. And the family agency has committed a good deal of its resources to the local suburban community by establishing a branch office serving exclusively residents of the area. As has already been noted, each of these three organizations interacted with the school, whose local community commitment is total, at different levels of interdependence. The quality of interaction between the school and the correctional agency was the lowest, while the quality of interaction between the school and the family agency was the highest. Interaction
between the school and the child welfare agency lay somewhere between these two extremes. Thus, there appears to be a close correspondence between the extent of interaction between organizations and their degree of service commitment. This conclusion is further reinforced by the fact that the convalescent hospital and the dentists action committee, two organizations serving exclusively the suburban community, interacted with the school at a high level of interchange, in spite of major differences in function.

In sum it can be said that the exchange model does have some value as a vehicle for observing and explaining interorganizational relationships. The present discussion has demonstrated that there exist specific organizational factors which help to determine the kind and extent of interaction organizations can have between them. The exchange model as applied to the four case illustrations has helped to identify what factors motivate organizations to interact with one another and what factors help to maintain or alter that level of interaction. A limitation of the present study, however, is that it fails to gauge the relative effect on organizational co-existence of each of the factors discussed. Surely some factors are more important than others. A remedy for this limitation awaits further empirical work.
In spite of this serious limitation the present document can serve a useful purpose. The kind of understanding of interorganizational relationships gleaned from the discussion permits the student of organizational behavior to examine from a clearly organizational perspective ideas of coordination and cooperation. In Western Civilization cooperation is a highly valued ideal, especially where public organizations such as schools, hospitals and social agencies are concerned. These organizations are supposed to strive for ever increasing levels of cooperation. Unfortunately, this value can cloud the observer's view of the nature of cooperative efforts among organizations. The present study if it has done nothing else has shown that interorganizational relationships can be viewed from a specifically organizational perspective.
General Summary

The present study concerns itself with the development of a theoretical framework for examining and understanding interorganizational relationships. An attempt has been made to integrate in as comprehensive a fashion as possible a variety of theoretical material focusing on this aspect of organizational behavior. The central conceptualization around which all other material has been organized is that of exchange. The exchange model conceives of interorganizational interaction in terms of transfers of resources from one organization to another. This theoretical model suggests that there exist certain organizational factors which influence the manner in which organizations interact with one another.

The value of these factors as determinants of organizational co-existence has been investigated by analyzing several instances of interorganizational interaction between a school and five other organizations. This analysis has shown that organizational relationships are affected: by an organization's access to resources, but that access to resources is not necessarily determined by broad organizational structure; by both organizational goals and function, but that their relative importance is unknown; by the amount of complementarity of resources; by the degree of domain consensus; by the costs of administrative controls, and; by the degree of service
commitment. Omitted from the analysis is any discussion of the relative effect on organizational co-existence of each of the above factors.


