Research on Organization Theory and its Relevance for Canadian Health Policy Development

The decision of the Canadian federal and provincial governments to establish collectivist social policies was made without realizing the structural implications of such a decision. The framework of analysis presented in Chart 1.1 gives some indication of the complexity of the organization of the welfare states which would have to be set up. Not only was there a variety of social programs to be brought in, but there were a number of different levels of government involved in their funding and delivery. The need for coordinating policy making, service delivery, administration and research was barely understood. And it might have been easier to start from scratch, but some professional and social services were already being provided under the individualistic system of care which existed in Canada in the 1930s. As well the postwar reconstruction plans for a collectivist system of care were introduced in a piecemeal manner as, and when, they could get political support.

The chapter which follows outlines the theory of reconstructing organizations and should enable the reader to see what might be expected in moving first from an individualistic system of health care to a collectivist biomedical model and then, after a review of the mission, to a social model of care. No one seems to have seen the whole picture or understood the adjustments that would have to be made in moving from one model to another as the existing subgroups were brought into one larger new organization. And they were resistant to making the necessary changes for the system to be optimally successful.
Can Organization Theory Be Used to Understand Collectivist Social Organization?

Although all the masters' programs for health administrators have courses on organization, when we asked our respondents in administrative positions whether they used research findings on organization to guide their decision making about policy choices, we did not usually get positive answers. Nor did we find much research in the health care sector by sociologists with interests in organization theory. It is only very occasionally that one finds Canadian studies on health service organization (e.g., Leatt and Frank 1988).

Perhaps this is not surprising when one looks at the organization theory literature, for it is complex and difficult to read and more so to apply. Evans (1990) prepared a literature review of interorganizational relationships (IOR) for the Vancouver Health Department, following publication of the study by Pederson et al. (1988) on Coordinating Healthy Public Policy. However, it seems unlikely that those from disciplines other than sociology would use such a review because of the esoteric language. And anyway, in his summary Evans said: "The 'rules of logic' linking different analytic levels have yet to be identified and empirically verified, although much progress has been made in clarifying processes by which IOR can be achieved" (p. 1).

It was not possible to review the whole range of applicable organization theory for this chapter; however, the citations are from studies which appeared to be relevant and useful explanations of health service organization in Canada.

Organizational Transformation

The decision by Canada to develop a collectivist approach to caring for its people was a decision to make an organizational transition of major proportions after the Second World War. Bartunek and Reis (1988) have developed a theory about organizational transitions. They set out two charts to explain what may be expected in such transitional situations. Chart 19.1 outlines the pre-birth crises and problems of organizational emergence such as: (1) "the need to find the right niche," (2) "the lack of coordination and cohesion," (3) "disorganization" and (4) "the desire of members to settle down." It identifies the characteristic experiences of such an emergence and lists "effectiveness criteria." Chart 19.2 shows these same problems at the post-birth stage.

Taylor (1978) has dealt with the pre-birth and immediate post-birth stages of the collectivist health care system development in his history of the introduction of health insurance programs into Canada, and this can be matched up with the charts.
Chart 19.1: Transformational Problems/Crises, Characteristic Experiences and Critical Issues of the Pre-birth Stages of Organizational Emergence

<table>
<thead>
<tr>
<th>Entrepreneurial Stage</th>
<th>Characteristic Experiences</th>
<th>Effectiveness Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crises/Problems</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&quot;need to find the right niche&quot;</td>
<td>• leader is centre of attention</td>
<td>• flexibility of the organization</td>
</tr>
<tr>
<td>&quot;need to deal with the liabilities of newness&quot;</td>
<td>• little planning and coordination</td>
<td>• acquisition of necessary resources</td>
</tr>
<tr>
<td></td>
<td>• little differentiation by position</td>
<td>• development of external support</td>
</tr>
<tr>
<td></td>
<td>• crude information processing and decision making</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• considerable risk taking</td>
<td></td>
</tr>
<tr>
<td>Collectivity</td>
<td>Characteristic Experiences</td>
<td>Effectiveness Criteria</td>
</tr>
<tr>
<td>Crises/Problems</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• lack of coordination and cohesion</td>
<td>• informal communication</td>
<td>• extent to which human resources development, morale and cohesion development</td>
</tr>
<tr>
<td></td>
<td>• development of a sense of collectivity</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• innovation and commitment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• slight formalization of structure</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• broadening of produce-market scope</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Formalization Stage</th>
<th>Characteristic Experiences</th>
<th>Effectiveness Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crises/Problems</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• disorganization</td>
<td>• formalization of rules</td>
<td>• goal setting and achievement</td>
</tr>
<tr>
<td>• lack of effectiveness of informal communication</td>
<td>• emergence of bureaucratic structure</td>
<td>• efficiency of information management</td>
</tr>
<tr>
<td>• desire of members to settle down</td>
<td>• emphasis on efficiency and maintenance</td>
<td>• stability and control</td>
</tr>
<tr>
<td>• pressure towards formalization</td>
<td>• institutionalization of procedures</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• consolidation of strategy and slower growth</td>
<td></td>
</tr>
</tbody>
</table>

**Chart 19.2: Transformational Problems/Crises, Tasks and Effectiveness Criteria of the Post-birth Stages of Organizational Emergence**

<table>
<thead>
<tr>
<th>First Ideas</th>
<th>Characteristic Experiences</th>
<th>Critical Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crises/Problems</td>
<td>initial ideas of organizational arrangements that might address the problem</td>
<td>• creativity and thoroughness of formulation of the first ideas</td>
</tr>
<tr>
<td>Originator perception of a problem not being adequately addressed</td>
<td>• conception of a mission</td>
<td>• originator’s relationship with the ideas</td>
</tr>
<tr>
<td></td>
<td>• tentative informal testing and revision of the ideas</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commitment and Early Planning</th>
<th>Characteristic Experiences</th>
<th>Critical Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crises/Problems</td>
<td>originator makes a commitment to develop first ideas into an organization</td>
<td>• creativity and thoroughness of the community planning process</td>
</tr>
<tr>
<td>• need to incorporate planners and members of the surrounding community into the planning process</td>
<td>• development of plan for the organization</td>
<td>• depth of commitment of originator and planners to the organization</td>
</tr>
<tr>
<td></td>
<td>• establishment of relationships among originator, planners and environmental groups</td>
<td>• internal dynamics among originator and planners</td>
</tr>
<tr>
<td></td>
<td>• translation of ideas into concrete organizational features such as selecting new members (including a new leader) and choosing and preparing the physical setting</td>
<td>• quality of planners’ relationship with the environment</td>
</tr>
</tbody>
</table>

Some time after an organization becomes established, its effectiveness is likely to be questioned. When this starts to happen there will probably be first or second order changes in organization structuring.

Bartunek and Reis have distinguished between these:

first and second order changes in organizations — the former being incremental modifications in ways of acting, improvements that take place within already accepted frameworks; second order changes represent discontinuous shifts in frameworks in which organizational members come to understand constructs in new ways. (pp. 100-101)

The changes may be comparatively narrow or comparatively wide.

Changes in the understanding of an organizational function such as participation are quite narrow. Overall changes in the organization’s mission and identity are quite wide, implying changes in several other organizational functions as well. (pp. 100-101)

Bartunek and Reis continued:

The major difference between first and second order organizational change is in whether or not a particular framework for understanding is altered. In first-order change the framework remains the same but in second order change it shifts in some way. The alterations of the framework in second order change have an effect on the assessment of change. In first order change some particular content is affected in a specifiable direction that can be thought of as better or worse in itself: commitment to the mission becomes greater or less. Because the primary shift in second order change is the framework itself, it is more difficult when this type of change occurs to determine whether the change results in better or worse outcomes than before. (pp. 100-101)

In Chapter 7 the development of the collectivist health care system up to and including the first order of change was outlined. At the start in most provinces the decisions to reorganize were mainly incremental, pragmatic, based on trial and error. Saskatchewan recognized early on the need for rational planning of change but was constrained by tight finances (which did not allow a total system of care to be introduced all at one time) and by the resistance of the medical profession to the proposed changes. Quebec decided that incremental planning was not good enough and developed a completely new rational organizational plan for improving service delivery. Again, the province met with strong resistances from the medical profession. The planning developed by these two provinces can be seen as a first order change. There was a new focus on gap filling and rationalization of existing biomedical services (coordination and integration).
The first order of change was concerned with reorganizing the existing services into a rationally planned system to provide access to medical and hospital services to all in need of them. The politicians and administrators who were developing the new system were at first very much more aware of the gaps in the system than concerned with its overlaps and the need for coordination. Rationalization, however, is usually thought to be concerned with streamlining of systems — cutting back rather than gap-filling activities. Much effort in the early years was put into hospital construction planning, for hospitals were the symbols of caring and a visible evidence of change, then payment for doctors’ services became the next key move.

The next chapter will review research on health promotion. This was part of the second order of change for Canada. In Chapter 8 we discussed how Le Clair brought out the need for a shift of emphasis on system objectives from access to outcomes. He stressed the importance of research, not only for the better management of existing services. He stressed the need to review the mission and establish a new framework for the system if a satisfactory organization of collectivist care were to be achieved.

**First Order Change: Transorganizational Analysis**

A term that describes first order change which is used by organization theorists is “transorganizational development.” Cummings (1984) presented a framework to explain this concept. He defined this as planned change concerned with creating and improving the effectiveness of organizations which have joined together for a common purpose. There are, he said, two streams of relevant research: interorganizational relations and social problem solving which started from different bases but have now “narrowed to concern over how organizations could join together to solve macro problems which could not be solved by organizations acting alone.”

The interorganizational relations (IR) perspective:

- proposes that organizations enter into relations with other organizations in order to obtain needed resources. Moreover, because such resources are generally scarce, organizations tend to compete with one another, attempting to gain power and control over essential resources while trying to minimize dependencies threatening organizational autonomy. ... Starting from this resource dependence framework, IR researchers have examined voluntary exchange relationships between organizations ... relationships mandated externally ... and power-dependency relationships where one organization is coerced into interaction by a more powerful other. ... Much of this research has taken place in the United States’ public sector, where a predominant concern has been coordinating activities, resources and information between agencies delivering
related services. ... Although coordination of services has received some criticism in contrast to a more free market, competitive model ... a key research issue has been to discover those mechanisms ensuring organizations their individual autonomy in areas of conflict, while permitting unified effort in areas of agreement. Interorganizational coordination or conflict studies have focused on comparative properties of the relevant organizations, including domains, goals and membership, on relational properties of the exchange itself such as formalization, intensity, and standardization; and on how features of the larger context affect interorganizational relations, including the density of organizations, availability of resources and complexity and change rate of the environment.

Generally this research has been oriented to describing existing, natural interorganizational relations with little attention to changing them or creating new kinds of relations. (Cummings 1984, pp. 370-71)

(See Marrett 1971; Van de Ven, Emmett and Koenig 1974; and Whetten 1981 for reviews of this literature.)

The social problem solving field has its major focus:

[o]n helping organizations to cope with environmental complexity and change by forming multi-organizational collectives. Briefly, it is argued that, as the causal texture of organizational environments becomes more turbulent ... organizational actions produce unanticipated and dissonant consequences throughout the field ... requisite responses to turbulence rest on inter and multi-organizational action among those organizations sharing the environment. Such collective action is hypothesized to provide the initial conditions for a negotiated order to emerge among the organizations, hence reducing environmental turbulence to more manageable levels. (Cummings 1984, p. 372)

Cummings went on to suggest an integrative framework to bring these two approaches together. “A key premise of the model is the role of interaction processes in mediating input-outcome relationships” (p. 373).

Some have called this area of concern interorganizational analysis. Some time ago Benson (1975) suggested that:

Interorganizational analysis ... is guided by relatively narrow practical concerns with the coordination of public services. As a result the field has a regrettable narrowness of scope, theoretical concern is focussed mainly on problems of coordinating public services, and the preponderance of empirical studies deals with coordination between public agencies. Only a few ... push beyond this concern to recognize the macro-structure issues embodied in their work. Meanwhile studies of greater potential relevance to
interorganizational analysis go forward without much contact with
the field. (pp. 137-38)

This comment is still valid. Benson cited studies of interlocking direc-
torates, of bureaucratic politics, of individual market structure, of power
structures and structures of the state which “deal with interorganizational
issues crucial to the structure of advanced industrial societies; but they do
so without much contact with, or influence upon, the interorganizational
field” (p. 138).

He said that there were two main strategies for linking inter-organizational
analysis to broader concerns — the strategy of abstraction
(Aldrich 1979) and the strategy of contextualization (Karpik 1978). Benson used
the latter strategy: “a comprehensive mapping of the social world to develop
a framework which will guide research to important issues and locate spe-
cific research problems in relation to more encompassing concerns” (p. 138).

He has tried to put transorganizational theories into vertical as well as
horizontal context. He was concerned with bottom-up collaboration:

Interorganizational relationships combine to form larger units, here
termed ‘policy sectors’. The policy sector is a cluster or complex of
organizations connected to each other by resource dependencies
and distinguished from other clusters or complexes by breaks in
the structure of resource dependencies. Operationally, the connec-
tions and breaks between sectors would be a matter of degree. We
term these ‘policy sectors’ because such independent clusters fre-
cently become the target of public policy and are to a consider-
able degree created and modified by public policy decisions ... 

The correspondence between a policy sector as conceived in
public debate and as measured by resource dependencies is always
imperfect. In fact, expansion of policy debates often flows from the
recognition of hidden dependencies. ... Reorganizations of admin-
istrative structures are frequently intended to bring coherence to a
set of resource dependencies which have somehow gotten out of
hand ... or to create a new focal concern for a set of agencies with
previously defined mandates.” (pp. 148-49)

Frost and Egri (1991) have discussed the necessity for understanding the
political process of innovation — the framework of power and politics in
organizations at individual, intraorganizational, interorganizational and so-
cietal levels — if successful change is to be brought about.

Several organizational theorists have published work on the importance
of centrality and dominance in resource networks and the need to understand
who has the power. This is likely to come from having control over money,
control over a large number of people and good information, and from get-
ting special interest group support (Karpik 1978; Pfeffer and Salancik 1978;
Galaskiewicz 1979).
There were few financial pressures on provincial decision makers in the early days of establishing the collectivist health care system. The National Health Grants program of 1948 encouraged gap filling by its hospital construction grants, and the hospitals and medical care insurance programs were at first financed by open-ended grants. Although federal grants for hospital construction were terminated in 1969 it was not until 1977 that the Established Programs Financing Act (EPF) legislation brought these open-ended operational funding grants to an end.

However, even after block grants were brought in by EPF, the provincial governments found it difficult to streamline service delivery. By this time the separately financed programs were solidly established, and, though some efforts were made to transfer resources from hospitals to community care, these efforts were seldom successful on a large scale (e.g., British Columbia’s hospital-community partnership and Saskatchewan’s similar scheme).

It was not until finances became really tight in Ottawa and federal-provincial transfers were cut back in the late 1980s and 1990s that provincial governments really began to address the issues of streamlining services. But this has still not gone far, though it is a clear objective for the new regional authorities which have been set up recently. Alberta is now leading the country in its cut-backs to public services but all provinces are challenged to reduce their spending on health services.

Community Involvement

Chapter 4 has first traced the way in which the informal community networks of rural Canada were no longer able to meet the needs of citizens for social support when the Great Depression came in the 1930s and then how the welfare state was set up in order to provide help to those who needed it. However, questions began to arise later on about the welfare state’s emphasis upon financial redistribution issues, its authoritarian professionals and bureaucrats, and its lack of involvement of ordinary community members. Policy analysts began to emphasize the need for greater community participation in Canadian society and what may be called the welfare society rather than the welfare state.

This new approach to social reorganization has been called the development of "partnerships" by the Organization for Economic Cooperation and Development (OECD) and the federal government, but what it really means is still rather vague. The definition of partnerships is set out in Appendix A; it demonstrates that there is a continuum from corporate collaboration to local community networking. In the section which follows, organization theory about networking is discussed.
Mulford (1984) applied interorganizational relations theory to community development, analysing the relevant studies made in business settings which might be applied to social services. He put particular emphasis on dyadic relations of organizations, boundary spanning roles and networks. He distinguished between the temporary nature of organization sets and action sets and the more permanent networks. The presence of networks, he said, is determined by finding the ties between all organizations in a population. He conceptualized the community as a network of interorganizational relations.

Networks today are most often conceived in terms of resource dependence theory (Pfeffer and Salancik 1978; Van de Ven, Emmett and Koenig 1974), or in terms of a political economy (Benson 1975; Galaskiewicz 1979), in which case greater emphasis is placed upon the impact of external forces in the network’s environment, for example, influences from funding sources, regulatory agencies and legal mandates. However, Mulford said, there is a great need to look at the mobilization of networks for collective action.¹ For this “the conceptualizing of collective decisions and implementation is quite inadequate” (Mulford 1984, 142). Mulford wanted community developers to use interorganizational theory to make their interventions more effective.

There has been a growth of ideas about community partnerships which can increase the effectiveness of caring for those groups in the population who need more than brief consultations with experts. Gottlieb (1983) developed a typology of support interventions in which he listed the range of support providers: “individuals, dyads (support from a key network member); groups (support from a set of network members); social systems in which organized policy and structural changes are taking place (i.e., redefinition of roles for professionals and colleagues); and community (i.e., public campaigns)” (p. 66).

Miller (1987) has described networking by coalitions to build innovative institutions to address community and societal problems as “interpreneurship.” He identified the interpreneurial factors likely to lead to positive change. Lockhart (1987) emphasized that community development is a process (in contrast with the customary outcome-oriented approaches of entrepreneurs). He said that this process approach is particularly important in dealing with northern development. Bennett (1987), too, saw community development as a process — as being concerned with second order change — change of the system rather than change within the system: “Change of a system involves a shift or a transformation from trying to solve

¹ See also Laumann and Pappi (1976).
problems within a system, which itself remains unchanged, to a higher logical level of problem solving which considers changing the assumptions, values, structural relations and rules governing the system itself" (p. 13).

Community development is getting people to notice their assumptions and to examine them as part of an intervention strategy — a redefining of problems. Godbout (1983) was also concerned with the transformations which community participation can make and the escape from the dominance of professional politicians.

Ng, Walker and Muller (1990) have focused on the relationships between community organizations and the state which arise out of demands for change. They said: "Community activities are not always progressive and do not always serve the interests of all community members. Similarly, state responses to demands from below are not unitary. At times they are extremely oppressive and coercive. At times ... [experiences] seem to indicate that grassroots struggles can find a place in state reforms" (p. 309).

The authors argue that there is still insufficient knowledge about community-state relations and that more needs to be discovered about these aspects: the relations of rulers and ruled (which do not take place merely in the formal state apparatus; they penetrate relations in community life), the documentary mode of action and community class struggle: "We suggest that the way in which these concepts are traditionally defined have restricted our ability to look beyond the confines of what constitute ‘the community’ and community development. It has restricted our ability to develop resistance and build alliances across traditionally defined community boundaries" (p. 318).

Charles and De Maio (1993) have presented an analysis of lay participation in policy making which is discussed in Appendix A. Chart A.1 proposes a wide range of possibilities for lay participants to make a contribution to community activities.

Organizational Development

Bartunek and Reis (1988) compared the concepts of organizational transformation and organizational development (OD). They said that the approaches of investigators to both processes are similar: they are concerned about the culture of an organization, its shared meanings, beliefs and values and how this culture may change. But the primary focus of OD is on processes through which to facilitate changes, while the focus of organizational transformation is on mapping the patterns of change in organizational form (such as changes in the organization’s mission, values and structures).

OD is concerned with improving management practices within an organization and in improving the action orientations of agency administra-
tors in their dealings with other agencies. The current literature on intra-agency management issues has not been reviewed here; however, interagency matters have been considered. Agency administrators at lower levels of the health care system usually have fairly limited concepts about the boundaries of “their organizations” — the agencies which are the substructures of the health care system and of the welfare state.

Benson (1982) has argued that there are four basic action orientations of agency administrators:

1. The fulfillment of program requirements
2. The maintenance of a clear domain of high social importance
3. The maintenance of orderly, reliable patterns of resource flow
4. The extended application of defence of the agency’s paradigm

“Agencies taking other approaches constitute an implicit threat to the security of resource flow into that agency. Thus efforts are made to refute and discredit competing ideological claims and to establish the superiority of one’s own technology” (p. 150).

While some analysts have focussed on “domain” (Kouzos and Mico 1979) or “defence of the agency’s paradigm,” others have been more interested in “the maintenance of orderly reliable patterns of resource flow.” Understanding these ideas can help administrators to identify better ways to manage.

As Cummings (1984) pointed out, the shift into transorganizational systems requires more than traditional OD. It requires theory and practice commensurate with a higher level of social collectivity to be applied. However, he said, a transorganizational system is difficult to identify as the boundaries are vague, thus there are problems of identifying member organizations, convening them and organizing the change. Planning change is not easy because it requires sharing of norms about the higher level of social collectivity, modelling the change process and predictability.

How then can the use of OD hope to tackle the problems of defensive behaviours in order to move towards this new level of consciousness? On the one hand it can explain more clearly what is taking place, on the other hand it can help management to restructure.

Restructuring

Bartunek and Moch (1987) suggested that if a strong stimulus for change were not present throughout the reframing process, it would often be difficult to sustain the change even when such change is appropriate. Bartunek and Reis (1988) said elsewhere:

One obvious stimulus comes from a manager’s own development of new frameworks and understandings. ... The consistent pres-
ence of factors supporting change, managers' abilities to stimulate and encourage new understandings on the part of organizational members, and external constraints all affect the organizational retraining process. (p. 110)

A second stimulus which may usefully accompany this one is the presence of decentralized structural features such as collateral or parallel groups or matrix structures. ... These structures are more likely than traditional ones to foster the development of alternative viewpoints in an organization. If new viewpoints and structures that support them are not present at the beginning of change or do not emerge, the organization is more likely to enter into decline than a reviving transformation. (p. 110)

Agranoff (1988) described how some American local governments restructured services by setting up umbrella organizations to link tasks but once departments were combined it was discovered that in order to solve real management problems there needed to be further restructuring to align policy approaches or strategies with tasks, job design, people, information, as well as organizational form. The movement to create umbrellas needed to transcend the proverbial stuffing of boxes, so familiar to government reorganization, to include alignment around purpose. Policy and its implementation became important ingredients in organizational design ... As public organizations, umbrella departments are operational instruments of public policy driven missions. ... The local scene must be managed, it cannot only be reorganized. (pp. 11, 14)

The National Services Integration Pilot Project (United States Department of Health and Human Services 1989) in five states used integrated case management as its primary focus. There has been a growth of single entry assessments and case management schemes in Canada. These are umbrella models of organization. Green, McCormick and Ten Hoope (1990) emphasized the client-centred nature of this approach: "Case management can be provided by professionals, comprehensive service centres or non-professionals. Case managers function as care brokers and advocates to ensure appropriate use of health care and community services. Accountability is enhanced because the case manager is responsible for ensuring that the range of care and service options is considered and coordinated for every case. Appropriate care reduces the costs associated with redundancies and improves outcomes" (p. 1).

However, Prottas and Handler (1987) have raised questions about operating a voluntary system of case management. They said that professional expertise should not be underestimated.

Gage (1976) has said that it is critical to know how to determine which services are most compatible for potential integration, viewed from several
perspectives: economic, social, administrative and political. Irving Rootman\(^2\) advocated using collaborative methods, as developed by Gray (1989), for this purpose. Gray defined collaboration “as a process through which parties who see different aspects of a problem can constructively explore their differences and search for solutions that go beyond their own limited vision of what is possible” (p. 1).

Presenting their ideas in more specific practical terms, Hadley and McGrath (1981) proposed the reorganization of neighbourhood health and social services on a “patch” basis in which informal caring networks would be provided with more adequate support through social workers’ ability:

1. To locate and be accessible to local networks
2. To develop responsiveness and flexibility
3. To identify with people and groups
4. To develop additional resources

This requires greater decentralization of authority to the service professionals in interaction with the networks and a different kind of accountability. At the same time inspection units may be needed to maintain quality control (Heginbotham 1990).

Hadley, a British investigator, has sparked off a number of other studies of community health care restructuring, for example, Heginbotham (1990), Great Britain (1986a,b, 1988), Dixon and Disken (1991), and the National Institute for Social Work (1982).

**Some Evidence of Canadian Concerns with Organization Theory**

In the introduction to this chapter we said that we found little evidence that organization theory was being used to help administrators to adjust to the collectivist organizational transitions, although there are a few pointers to the contrary (such as Nova Scotia’s use of organizational consultants for its provincial inquiry). There follow a few other examples of applications. The first is the report of a conference of senior bureaucrats concerned with the shift in the relationships in moving from “welfare state” to “welfare society”; the second is activity at the service level in public health departments expected to respond to the shift from prevention to promotion orientations; the third, helping staff to understand new ideas about organization.

**Bureaucratic Practice**

The complexities of keeping the welfare state together were discussed in a conference of senior Canadian political bureaucrats. Pitcherack (1987) thought

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that officials were caught between politicians, staff and clients. They needed to expand their scope as managers, reduce political influence and the rigidity of technological controls (e.g., over budgeting) in order to respond better to the clients. Some thought that the means to reduce political influence might be through privatization or establishment of consumer boards. Program evaluation might also be useful (Jacques 1987). At the same conference Mintzberg and Jorgensen (1987) argued that there was a need to enable more peoples' ideas to become part of realized strategies:

Strategies can emerge — even effective ones — through a host of processes, some gradual, some collective, some spontaneous, many of these not even managed. (p. 220)

Because it is organized to stamp out the emergent processes of policy making, the public sector today suppresses the capacity of public organizations to adapt and to learn. (p. 226)

Not only must managers be allowed to manage, but all knowledgeable actors must also be allowed to think and so to influence the strategies that are in fact realized. For it is not enough that our public institutions be formally democratic: they must also be informally responsive. (p. 229)

**The Healthy Communities Movement: Implications for Professionals**

The encouragement of community development in recent years, by such movements as “healthy communities,” has led to reconsideration of the roles of public health nurses and social workers in providing expert services. There are still very obvious defensive behaviours by health agency administrators, such as those described by Benson (1982), but there are some who have been seeking to ready their staffs to deal with integration and coordination with other community agencies (Martin 1991; Altman 1991). The Canadian Public Health Association has been reviewing how best to promote change in attitudes and activities of public health nurses (Canadian Public Health Association Task Force 1990).

**Improving Explanations to Staff**

The planning division of the Ontario Ministry of Health has been circulating articles to health service workers showing new ways of conceptualizing

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3 Rourke (1984) has noted that in the United States government there has been a trend to reestablish the primacy of elected officials in executive policy deliberations, making it very difficult for senior civil servants to penetrate the inner circles of executive policy making. Obviously senior Canadian bureaucrats were also feeling excluded.

4 Jennifer Hill and her staff in the Planning Department, personal discussion with planners at the Ontario Ministry of Health, 1990.
problems. For example, one article is concerned with the need for development of skills in managing complexity:

The obvious organizational solution to strategies that required multiple, simultaneous management capabilities was the matrix management structure. ... Its parallel reporting relationships acknowledged the diverse conflicting needs of functional production and geographic management groups and provided a formal mechanism for resolving them. ... In practice, however, the matrix proved all but unmanageable. Dual reporting led to conflict and confusion, the proliferation of channels created international log jams as a proliferation of committees and reports bogged down the organization and overlapping responsibilities produced turf battles and a loss of accountability ... managers [of complex organizations such as we are considering] found it virtually impossible to clarify the confusion and resolve the conflicts. ... The problem was that [the managers] defined their organizational objectives in purely structural terms. ...

Companies must also concern themselves with ... the systems and relationships that allow the lifeblood of information to flow through the organization. And they need to develop a healthy organizational psychology — the shared norms, values and beliefs that shape the way individual managers think and act. (Bartlett and Ghoshal 1990, 143)

They found that those who undertook the task of managing complex organizations most effectively had these common characteristics: a clear and consistent corporate vision; effective management of human resources to develop identification with corporate goals; and the integration of individual thinking and activities into the corporate agenda by means of cooption. The matrix, they argued, is not in the structure but in the managers’ minds.

Canadian provincial governments have become very much concerned with these matters. Every province except Prince Edward Island has organized one or more public inquiries into its health care system, to clarify its objectives and establish a corporate vision. Provincial governments are focusing on improving effective management of human resources, though this is not easy when major changes are being proposed, for there are bound to be resistances. They are trying to ensure that service deliverers accept and work towards the corporate vision.

But this new corporate vision is not often related to organizational theory. It is a practical approach to problem solving. More understanding of theory could help towards greater understanding of better policy making and management.
Summary
In this chapter some ideas of organization theorists which seem to explain the development of the health care system are reviewed. This theory is seldom used by Canadian policy analysts who prefer to take practical approaches.

The ideas reviewed relate first to transformation from one form of organization to another (as happened when the federal government decided to move from an individualistic to a collectivist system of care). The review continues by examining first and second order change in an existing organizations (such as happened when Canada reconsidered the mission of the health care system and switched its main objective from providing access to focussing on outcomes). These organizational changes create inter-organizational stress as executives try to defend their territories.

The chapter continues by providing some examples of successful restructuring in English-speaking countries and then looks at three Canadian approaches to organizational development.