E-PARCC
COLLABORATIVE GOVERNANCE INITIATIVE

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The Politics of Structuring Interorganizational Collaboration and the Selection of "Good Clients"[1]

Part 1- Introduction

Conventional thinking about organizational and interorganizational structures is embedded in rational models, following principles established by contingency theorists (e.g., Donaldson, 2001, Mintzberg, 1979). However, there is growing interest in the evolution of interorganizational structures as the product of complex dynamics embedded in the historical and institutional contexts of the interacting organizations (e.g., De Rond, & Bouchikhi, 2004). Often interacting parties may agree on, and even establish, the "best" structures for their collaboration. However, as organizations try to advance their interests and individuals bring to interorganizational arenas unresolved intraorganizational issues, these structures may enact different processes from what was originally anticipated.

This case illuminates how such dynamics were played out in a network of organizations working with youth-in-trouble in a large North American city. It is intended to advance an understanding of the politics of structuring interorganizational relations, and sensitize students to the way seemingly rational interorganizational arrangements may mask processes that serve the interest of organizations by facilitating their selection of "good clients." Following the format of the interrupted case method (Freeman Herreid, 2005), the case is to be presented to students in parts as outlined in the teaching note.

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[1] This teaching case was written based on material extracted and adapted from Prue Rains & Eli Teram, *Normal Bad Boys: Public Policies, Institutions, and the Politics of Client Recruitment.* Montreal: McGill-Queen's Press, 1992, Chapters 6 & 7. Some details have been changed or eliminated to reduce the complexity of the case. The legislative context is described in general terms that capture relevant considerations, without overloading the reader with specific details that are not essential for understanding the case.

Part 1: The Youth-in-Trouble Network

Legislative Context

The youth-in-trouble network (YITN) was a product of government legislation that regionalized the provision of social and health services and regulated their operation; this included the interorganizational structures and procedures for the disposition and institutional placement of troubled youth. The YITN in the focal region included nine organizations: a social service centre (SSC), two large institutions with a wide range of residential programs, three small institutions, and three psychiatric programs for youth. All these organizations received the bulk of their funding from the government; the institutions and the psychiatric programs received per diem funding for each client.

With exclusive authority over the provision of services for youth-in-trouble in their region, the YITN and its members were mandated to serve clients residing in their jurisdiction. The exchange of clients between regions was restricted, and happened only under special circumstances. This binding interorganizational dependence was reinforced by a requirement for the establishment of a collaborative joint admissions committee/s between institutions and the SSC in their region. The structuring of these committees was left to the discretion of the organizations involved, including the decision whether to establish a Central Committee or a separate admissions committee for each institution. However, the regulations specified that if an agreement on the structure of the joint admissions committee/s could not be reached, the SSC would have the majority of members on the committee/s.

Legislation also created the position of Director of Youth Protection (DYP) in each SSC, with responsibilities and authority over both youth with family related issues (child protection), and youth who violate the law (young offenders). Similarly, institutions worked with a mix of child welfare and juvenile delinquency cases. To perform his duties, the DYP delegated his authority over individual cases to social workers in the SSCs and to the institutions where youth were placed. The legislation was designed to keep all youth, including delinquents, from unnecessary contacts with the court, and institutions. Thus, DYPs were authorized to deal with the disposition of all problem youth by reaching voluntary agreements with them and their parents; these agreements included institutional placements. Court proceedings were reserved for cases in which agreements could not be reached and compulsory measures through a court order were therefore necessary.

While mandating the establishment of joint-admissions committee/s between the institutions and the SSC, the legislation also authorized the DYP to order youth into any institution in the region. These stipulations had ramifications for the relationships between the SSC and the institutions, as they threatened the institutions' autonomy and control over their admissions. However, the legislation counterbalanced this threat by giving institutions the authority to define their admissions criteria, and to refuse clients who did not qualify under those criteria.

Member Organizations

The Social Services Centre (SSC)

The SSC was comprised of a department of youth protection headed by the DYP, and three area service centers (ASCs) that served clients within geographically defined locales (see Figure 1). Historically, these ASCs were small independent organizations that were brought under the SSC when the government regionalized the provision of services. Each ASC was headed by a senior manager who reported to the Assistant Executive Director, whose position within the hierarchy was the same as the DYP. While providing a variety of social services in their communities, ASCs' social workers were also delegated by the DYP to work with child protection and juvenile delinquency cases. As indicated in Figure 1, while the DYP had a legal mandate and responsibility for these cases, he had no organizational authority over the social workers to whom he delegated his formal authority; the work of these social workers was monitored by a small group of review analysts who worked under the DYP.

FIGURE 1: PARTIAL ORGANIZATIONAL CHART OF THE SOCIAL SERVICE CENTRE (SSC)
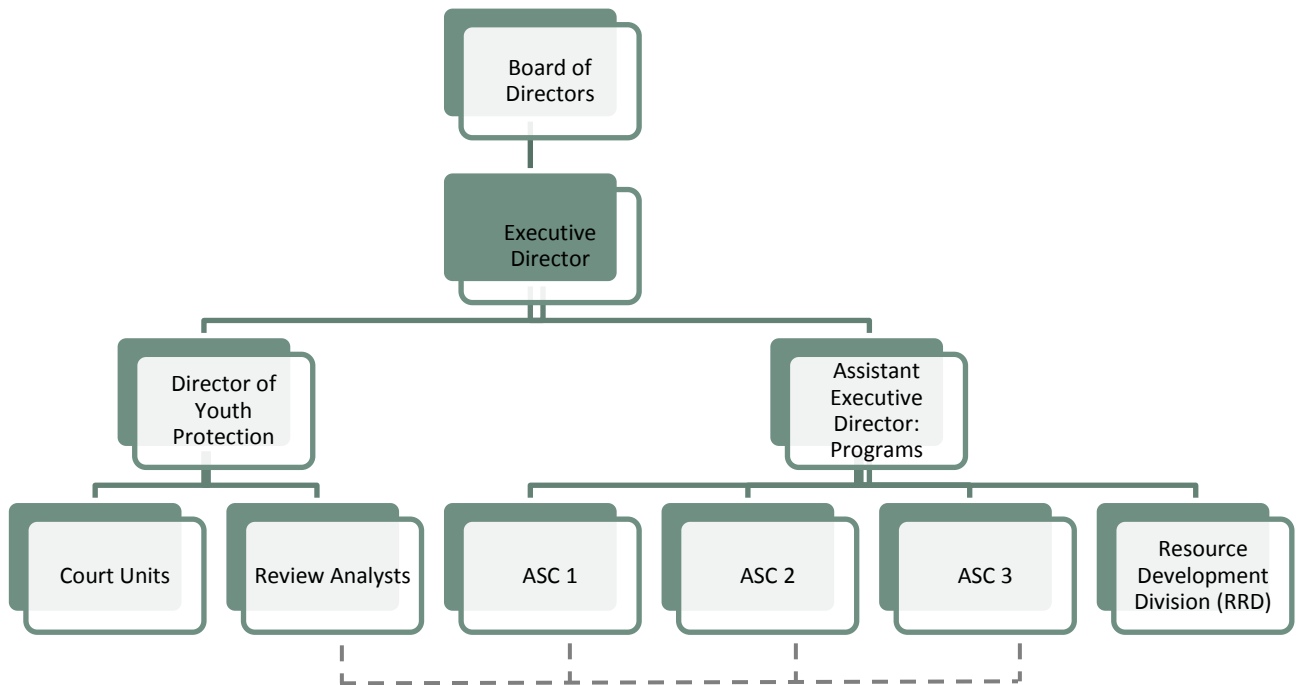
Review Analysts were assigned to each Area Service Centre (ASC) to monitor social workers' work with clients delegated to them by the Director of Youth Protection (DYP).

ASC=Area Service Centre
SSC=Social Service Centre
DYP=Director of Youth Protection
RRD=Resource Development Division

The Institutions

Two major institutions belonged to the YITN: Horizon and Sunshine. Both provided a wide range of programs for adolescents between twelve and eighteen years of age, including residential care. Three smaller institutions, each with its own specialized program, were also part of the YITN. Although one of them competed with Horizon for preadolescents with behavioural and emotional problems, none was sufficiently large to challenge the dominance of Horizon and Sunshine over the provision of institutional programs for youth in the region.

Horizon served adolescents and some preadolescents with mild emotional and behavioral problems. Most of the youth placed in Horizon were voluntary clients. Its residential programs were located in group homes throughout the city, and varied widely in terms of the intensity of their structures and the control imposed on their residents.

Sunshine served adolescents who were less manageable and more delinquent. It provided a variety of residential services ranging from locked, fenced and highly structured units outside the city, to more open community group homes in the city. Sunshine's policy required a court order as a condition for initial admission. However, adolescents whose behavior improved could sign a "voluntary measures" agreement as they progressed to the institution's more open programs.

Psychiatric services and facilities operated as part of a separate psychiatric network and were not official members of the YITN; however, three psychiatric hospitals provided institutional care for youth, and were connected to the YITN as service providers.

Structures for Collaboration

The YITN established a number of committees to structure multi-level interactions between its member organizations. At the highest level, the *YITN Advisory Committee* met periodically to discuss polices and resource planning for the network. It included the executive directors of the SSC and the institutions, the DYP, and an informal representative from the psychiatric network. As the official representative of the region, this committee communicated with government regarding the needs and priorities of the YITN, and provided a venue for government to diffuse its plans and policies.

The *Network Table* provided a forum where mangers from the institutions and the SSC's department of youth protection met periodically to deal with ongoing interorganizational issues and problems.

The *Parity Committees*, one for each institution, provided a forum for meetings between the SSC and the managers of the institutions to discuss their contractual agreements. These meetings were held monthly when contract renewals were imminent and less frequently after the contracts were signed.

The most intense and frequent interorganizational exchanges between the YITN's members occurred at the *Joint Admissions Committee*. The decisions made by these committees were critical as the demand for residential placements was greater than what the institutions could supply. However, there were fluctuations in the availability of beds, mainly at the end of the school year when most clients "graduated" from the institutions. Although typically there was

greater demand for group home beds in the community than for the more structured institutional beds, all resources had to be used for their designated purpose and could not be converted based on fluctuations in demand. The structuring and restructuring of this committee, which is the focus of this case, will be discussed in the following three parts.

Part 2: The Centralized Structure

In the initial stage of its history the network established a Central Committee for the purpose of making admission decisions (See Figure 2). The centralized structure provided a vehicle for the seemingly rational coordination of resources to meet client needs. In practice, however, the Central Committee provided the institutions with a forum wherein client problems and needs were redefined to suit the resources available.

The Central Committee, which met once a week for two to three hours to review recommendations for institutional placements, usually processed four to six referrals a meeting. The recommendations came from the ASCs social workers who worked directly with clients; all recommendations were reviewed within the ASCs' placement committees before referral to the Central Committee.

Referring workers briefly presented cases to the Central Committee, explaining why a placement was required and recommending a particular form of placement (e.g., a community group home). Committee members listened while glancing at the psychiatric, psychological, school, and social work reports that were provided in advance, asked questions and made comments before making one of three decisions: postponement (pending additional information), placement (whether in the recommended program or not), or refusal. Although governed by practical considerations related to the lack of resources, these decisions were typically justified in clinical rather than practical terms -- a process that impugned the professional competence of the referring workers, preventing workers' full participation in face-saving discourses (Pfohl, 1978). Similarly, requests for additional information often challenged the adequacy of the referring workers' reports, and were perceived as an evaluation of the workers, rather than the clients.

When the committee made a placement decision, it did not necessarily place clients in the programs recommended by referring workers. These decisions were made based on three unwritten rules that protected the institutions' interests and their relations with one another: (1) honouring each other's claims to clients, (2) "escalating" the placement of clients to fit available resources, and (3) "attaching" clients to the first organization in which they were placed.

Honouring each other's claims

Institutions' representatives did not fight over clients, settling instead for their "fair share of the market," even in the case of preadolescents where the number of available beds usually exceeded the supply of suitable clients. Thus, statements such as "I'll take it," "He looks OK for me," or "I have a bed for her" ended the discussion. By honouring claims to particular clients, the committee members did not attempt to establish a fit between the client's needs and existing programs; instead, they allowed the institutions' representatives and psychiatrists to define and select the clients they wanted. Moreover, these claims were honoured even when the placement

was different from what was recommended by the referring worker, and the rare occasion when a claim was questioned by one of the members.

Escalation

If the program that suited the client's needs was not available, the alternative typically escalated the intervention. For the programs who received these clients, this escalation resulted in reduced costs, as they required fewer resources than their typical clients. In its extreme form, escalation meant that youth who were originally recommended for a voluntary placement in Horizon ended up in a compulsory placement in Sunshine. However, escalations also occurred when clients were placed in Horizon's more structured programs rather than in one of its group homes, as recommended. Another form of escalation occurred when youth with mild behavioral or delinquency problems were placed in psychiatric programs, even when referring workers did not identify psychiatric problems. As in the case of postponement, the practical considerations for escalation were usually masked by clinical rhetoric, redefining clients' problems as "more serious" and calling for more intrusive interventions. Although a client's escalation from Horizon to Sunshine required a court order, the court could not prevent these escalations as it had no authority to specify the institution or program in which a client was to be placed. Thus, court orders were issued as a generic imposition of placement without mentioning the institution by name.

Attachment

Organizational claims regarding clients were accepted as permanent placements by the Central Committee, even when they involved escalation. Rarely was it noted that the placement was temporary and that an appropriate transfer would occur when space became available. On the odd occasion that this possibility was raised, it was quickly rejected. Attachment allowed institutions and psychiatric programs to keep the low cost "good clients" acquired through escalation, thereby further reducing the costs associated with assessment and socialization during the initial period of institutional placement. Attachment also helped institutions operate at a more or less steady and full capacity.

Once the committee made a decision, the written client reports were given to the representative of the organization where the child was to be placed. If the placement was at Sunshine, the referring worker was also instructed to obtain a court order if one had not already been issued. All decisions were recorded in the minutes as "recommendations for assessment in (name of institution)," thereby acknowledging and emphasizing the rights of institutions and psychiatric programs to screen clients for admission. Although the recommendation sometimes also specified the appropriate program within Horizon and Sunshine, the placement of clients in specific programs was left to the discretion of these organizations.

Refusal

With inadequate resources to accommodate all referrals, the committee needed to reject some placement recommendations. Again these decisions were justified on clinical rather than practical grounds. The committee most commonly justified such refusals by questioning the referring worker's familiarity with institutional services and, hence, their appropriateness for

particular clients. The committee also justified the rejection of referrals for institutional placement on clinical grounds by arguing that less intrusive non-institutional approaches were more appropriate and should be tried first. Refusals, like the request for additional information, often served to "buy time."

Since the diagnosis of client problems and the prognosis for various forms of treatment were open to interpretation, the justification of committee decisions in clinical terms was not difficult. However the committee's clinical assertions about clients were made based only on written reports produced by referring workers and other professionals with more in depth knowledge of the clients. Not surprisingly, referring workers experienced the Central Committee as intimidating, even humiliating, and were pushing for change. However, in spite of their complaints the centralized structure was in place for three years before the establishment of a different structure.

Part 3: The Decentralized Structure

As shown in Figure 3, under the new structure, the three placement committees at the ASCs acquired greater authority. Each was expanded to include a representative from one of the institutions who spoke on behalf of the Central Committee. While in theory the Central Committee retained authority over placement decisions, in practice its authority existed only on paper as the Decentralized Committees' decisions were treated as final. In some cases, institutions began to process clients for admission before the decisions had even reached the Central Committee. The Central Committee chairperson, having received placement recommendations from the Decentralized Committees, could convene a meeting of the committee; however this committee rarely met.

The three Decentralized Committees were organized along similar lines. Each was chaired by the ASC's Coordinator of Family and Children's Programs and included a nurse, a finder of foster homes, senior or experienced workers with various titles, the review analyst assigned to the ASC, and a representative from one of the institutions. These committees met every two weeks to review placement requests presented in person by referring workers; four or five referrals were processed at each meeting. Whereas, in principle, clients were allowed to participate in the meetings, in practice, no clients were ever brought in by the referring workers. Referring workers still had to provide supporting documents; however the atmosphere was more informal than in the Central Committee, rules were not strictly enforced and referrals were discussed with partial documentation.

The decentralized structure altered the decision-making process in several ways.

One change was that the Decentralized Committees permitted referring workers to engage in a detailed clinical discussion of their clients' problems and their reasons for recommending placement. Referring workers often presented general recommendations for a placement, expecting the committee to suggest specific programs. However, the Decentralized Committees operated with much less information about the range of options available at the institutions and psychiatric hospitals, and the length of waiting lists in different programs. In theory, this

information was supposed to come from the institutions' representatives as they rotated between the three ASCs. In practice, these representatives stayed with one of the committees, and while actively involved in determining placement decisions in their own institutions they contributed very little to the discussions of placements in other institutions.

Placement decisions continued to compromise the needs of clients, with attachment and escalation continuing in a somewhat different form than under the centralized structure. While the attachment principle became less visible, escalation became more visible. Under the centralized structure interorganizational agreements to facilitate temporary admissions of clients to programs where spaces were readily available, and their eventual transfer to the appropriate programs, were possible. Thus, the attachment principle had to be occasionally mentioned. Since the Decentralized Committees didn't provide a forum for such agreements, there was no need for direct or indirect assertion of this principle.

On the other hand, the decentralized structure made the practice of escalation quite visible. Being limited to the institution whose representative was present at the meeting, escalation was openly discussed with no effort to shroud the process in clinical terms. Thus for example the lack of group homes was invoked to justify escalation. The acceptance and endorsement of escalation was particularly obvious when the Decentralized Committees provided "court management" guidance to referring workers whose clients were escalated from Horizon to Sunshine. In one example a new worker was told that there is no requirement to mention Sunshine in court. Thus, while decentralization did not alter the situation of clients, it substantially affected the interests of other participants in the process.

Referring workers

With the elimination of the advanced preparation and solicitation of reports and no waiting time for presenting referrals, the Decentralized Committees were more easily accessible than the Central Committee and could be used strategically for different purposes. One strategic use of the committee was to "test the market." The committees' reactions to placement requests provided referring workers with useful information about the "marketable" features of clients-- attributes that might warrant or rule out placement. The Decentralized Committees were also used to "cover" referring workers in the event of things going wrong with their clients. By making referrals to the committee, workers could avoid the question, "Why didn't you come to us earlier?" Finally, referring workers acquired placement decisions from the Decentralized Committees as a fail-safe plan. After securing a placement decision by the Decentralized Committees, some referring workers continued to search for alternatives that would keep their clients in the community. One worker described this strategy as follows:

> After you get a placement decision it's like fighting against the clock ... If you find something in the community before the institution wants the client in, you win ... Once he is in, you can't just come and say I want him back ... If you do that, they will start asking you why this kid was referred to them in the first place ... Besides, they are not going to give him up just like that.

Being left with 'unexpected' empty beds, institutions were clearly dissatisfied with this practice. However, they had other reasons to be discontent with the decentralized process.

Institutions and Psychiatric Programs

Decentralization deprived these organizations of control over the dispositions of clients. The institutions' representatives were outnumbered in these committees, and with only partial access to the "client market" their ability to select "good clients" was limited. The psychiatrists, who were not official members of the YITN, were excluded from the Decentralized Committees, thereby completely losing access to this pool of clients. Moreover, while the presence of the psychiatrists at the Central Committee tempered anti-psychiatric views, social workers' sentiments about psychiatric programs were now fully expressed through statements like: "They are looking for clients in order to boost their budgets"; "They will take anybody who gets close to their criteria"; or "If they don't fill their beds, they will be closed down." Indeed, some psychiatric programs were in financial difficulty due to lack of referrals. One hospital invited senior workers of key organizations, including the chairpersons of the Decentralize Committees, to a wine and cheese gathering to explain and promote their children's services. These attempts failed as the prevailing view at the Decentralized Committees was that psychiatric programs were interested in high functioning youth while rejecting uncooperative psychotic children.

Director of Youth Protection (DYP)

Under the decentralized structure the DYP had less influence on placement decisions. The DYP also lost control over the transfer of clients to the institutions as these transfers were now handled largely by the chairpersons of the ASCs. These issues became pointed when institutions complained about the failure of social workers to "deliver" clients whose placements were approved by the Decentralize Committees. Rather than defending the right of social workers to revise placement plans in light of changing realities and opportunities, and pointing out that ideally youth should be kept out of institutions and psychiatric programs, the SSC management, and the DYP sided with the institutions. They expressed interest in the names of the "deviant" workers, and one manger commented that the referring workers who complained about the power of the Central Committee were now abusing the decision-making power given to the ASCs.

At one of the network's meetings the institutions demanded a return to a centralized structure, pointing out that empty beds did not look good for the YITN while approaching government for additional institutional resources. The issue was referred to the YITN Advisory Committee, and the network decided to restructure the admissions committee less than a year after it was decentralized.

Part 4: The Recentralized Structure

With a few differences, the recentralized structure resembled the original structure (See Figure 4). Most notably, referring workers no longer had to present their cases personally to the Central Committee. With recentralization the institutions and psychiatric programs once again had access to the whole client pool. The DYP's control over the decisions of social workers was also restored. Moreover, this control became less visible because the committee was now chaired by someone from the Resource Development Department (RRD) and there were no encounters

between the Central Committee and referring workers. Decisions about clients were made solely on the basis of written reports from referring workers whose direct reactions to alternate placements were no longer part of the decision making process. Thus social workers did not have to experience the humiliating challenges of their clinical judgments in the process of altering their initial recommendation to fit available resources and organizational interests.

The recentralized structure integrated the lessons learned through the experiences under the two previous structures. By dividing the control over client related transactions, the recentralized structure satisfied everyone involved in the process. In the first part of the transaction, referring workers were allowed to define their clients' problems in whatever way they thought would facilitate institutional placements. In the second part of the transaction, the institutions' representatives could review the entire client pool to redefine client problems to fit the resources available, and their interests in specific clients. While the outcome of these processes for clients was the same as it was in the original Central Committee, the important difference was the removal of space for overt conflicts.