INSTITUTIONAL STRUCTURE AND ORGANIZATIONAL PROCESSES: THE ROLE OF EVALUATION UNITS IN SCHOOLS*

Lynne G. Zucker

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University of California - Los Angeles

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TABLE OF CONTENTS

	Page
Sources and Consequences of Formal Structure	3
Consequences of Institutionally Derived Structure	7
External Control	8
Formal Structure and Signaling	10
Institutional Structure and Evaluation Criteria	12
The Role of Evaluation Units in School Districts	15
The Test	18
The Sample	18
Variable Definition	18
Results	19
Notes	
References	
Tables	

Historically, there has been a gradual but distinct trend toward the vesting of more control in the federal and state government. Localities have not surrendered their autonomy, but have become increasingly embedded in a multi-tier system, where state and federal control and funding of local organizations has risen substantially in the past twenty years (see Zucker, 1980). While this trend is apparent in education, local school districts have been more successful than most public organizations in retaining their autonomy (Kirst, 1970; Meyer, 1979).

Schools are crucial to the pursuit of central societal goals, and therefore have been subjected to institutional definitions of what is proper educational procedure and practice. At the federal, state and local level, school performance is monitored, evaluated, and overall assessments are made. Since the implementation of Title I of the Elementary and Secondary Education Act in 1965, local school districts have been required to evaluate their performance. Further pressure for evaluation is rooted in the increasingly heavy dependence, especially in some states, on other types of extra-local funding for school districts. These sources of funding increase the legitimacy of external demands for assessment; local district needs for evaluation to improve program performance have largely been eclipsed by the need for accountability to funding sources. The current "rational view" of schools held by these outsiders poses a problem for schools because of the legitimate authority the federal and state evaluation requirements have over internal school practices. "Hyper-rationalization" (Wise, 1977a and b)

could be ignored were it not for the concomitant attempt to enforce this view of educational process by each separate funding body.

Conformity to institutional rules can be seen as the raison d'etre schools. Many of the processes in schools involve compliance to external definitions of what schools should do, and responding to external mandates for evidence of such compliance. Especially as state and federal funds have increasingly been allocated to local public schools, these external demands for evidence have become more well defined and complex. Largely in response, local public school districts have established evaluation units. Such units are not required and are generally not funded directly by federal or state sources but the requirements for evaluation data concerning Title I implementation (coupled with grant and special program evaluation requirements and heavy reporting requirements in some states) make it convenient for school districts to establish an evaluation unit. Evaluation units generally serve to centralize and simplify data collection and dissemination. It is not suprising that the number of evaluation units in school districts has literally mushroomed since 1965. About a third of all school districts with over 5,000 students have evaluation units. Fully 85% of the evaluation units have been established since 1965 and over half since 1970 (Lyon, 1978; Lyon et al., 1978).

In this paper, a theory is developed which emphasizes the signal nature of evaluation units. Depending on the degree to which a school district exists in an institutionalized environment, the environment serves as a source of support (including funds) for it. As a result, the environment (state and federal government) exercises legitimate control and surveillance over the district's activities and performance (for a general discussion,

see Pfeffer & Salancik, 1978). From this perspective, the primary function of an evaluation unit is to produce signals from the school district to this external environment. Hence, most of the information produced by the evaluation unit is in response to accountability requirements generated at the federal and state levels. Little of the information is used within the organization (school district), though it may be disseminated within it (see David, 1978, for further support of this argument). Further, the evaluation unit generally has limited internal function (e.g., does not affect district policies or other units), with little connection between evaluation unit staff and instructional staff. In other words, the evaluation unit serves to legitimate what the school district is doing by reporting it (generally in favorable terms) to external sources of funding and control to whom the district is legitimately accountable.

A general theoretical explication of the sources and consequences of institutional environments for organizations is developed in the next section. Then the concepts are applied more directly to evaluation units in school districts. Some central hypotheses are tested using data drawn from a national survey of evaluation units (Lyon et al., 1978), combined with measures of federal and state funding and control of school district organizations.

SOURCES AND CONSEQUENCES OF FORMAL STRUCTURE

In schools, as in other large scale organizations, formal organizational structures arise, often not clearly or closely related to the actual activities of the organization (cf. Gouldner, 1954). This formal structure

is fundamentally a blueprint for organizational activity. The organization chart, with its listing of major officers, departments, and programs, details the organization's formally defined structure. These elements are linked by rationally defined connections between activities, impersonally embodied in the organization's explicit goals.

Much of modern organization theory has been concerned with exploring the sources of formal structure in organizations (Scott, 1975). Research thus far has investigated formal structure which arises primarily from problems of coordination inherent in the core technology (e.g., Woodward, 1965; Mohr, 1971; Comstock & Scott, 1977; Billings et al., 1977). In contrast, the emerging theory of institutionalization (Zucker, 1977a; Meyer & Rowan, 1977) has stressed the role of social definition, of "myth," in determining organizational structure. Independent of the core technology, or "loosely coupled" to it (see Weick, 1976; Meyer & Rowan, 1977), formal structure created by social definition serves to legitimate the organization. The organization incorporates elements of structure, such as evaluation units or affirmative action officers, which reaffirm organizational conformity to the externally imposed definition of what is legitimate.

This body of work on the sources of structure, whether task oriented or institutional, has treated the origin of formal structure as largely outside of the organization's direct control: the structure is determined either by the technology or by the institutionalized environment. It is important to note that wider societal definitions are involved in either

case. The application of appropriate technology is defined in terms of "state-of-the-art," and organizations are expected to adopt innovations defined as advances in technological development. Institutionalized procedures, certified professionals, and programs of action involve actual organizational activity, but at the same time incorporate societal definitions of proper practices even when conformity conflicts with efficiency criteria (Meyer & Rowan, 1977). Regardless, then, of the particular advantage or disadvantage for the task performance itself, wide-spread definition of a technology, procedure, or division of departments as rational and legitimate leads to organizational adoption. For example, early adopters of civil service procedures exhibit characteristics which indicate their need for more formal personnel procedures, while cities adopting these procedures later in the process do not, adopting them simply on the basis of their widespread legitimacy (Tolbert & Zucker, 1980).

But the organization itself should be recognized as an important determinant of its own location in the wider environment. Organizations are not simply passive captives of their environments, whether technological or institutional. Their role in regulating environmental effects by developing boundary maintenance functions, domain definitions, and other mechanisms of control has long been recognized in organization theory (see Thompson, 1967). Most fundamentally, however, organizations seek to construct their own environments, not simply manage preexisting environmental constraints (e.g., Pfeffer's study of organizational merger, 1972). For example, organizations may define their appropriate institutional location (Dowling & Pfeffer, 1967): Training institutes wish to define themselves

as educational institutions, thereby gaining access to societal resources such as tax write-offs and G. I. Bill funds, although their functions, in fact, parallel personnel agencies more closely.

The foregoing argument can be summarized as follows:

Proposition 1:

> Organizations seek to define their own location in the wider institutional/technological environment.

Organizations define their location along a continuum, ranging from (1) narrowly construing their activities as technical and refusing societal resources (e.g., training stipends for workers) which would broaden the societal relevance of their goals, or (2) broadly construing their activities as fundamentally societal and accepting societal resources which reinforce that view.

This statement differs from earlier work on organizations in a number of respects. Probably the most important, from an operational point of view, is that the degree of dependence on societal resources is a crucial step in defining the organization as one serving societal interests, and thus existing in an institutionalized environment. Hence, public organizations are, a priori, operating in institutionalized environments, though the extent to which obligations of the organization are normatively defined may vary. Organizations which are not public, but which deliver services seen as related to the public good, may also operate in institutionalized environments. Increasingly, all organizations, including profit-making firms (e.g., Lockheed and Chrysler), are being identified as central to the common good, and hence as deserving of societal support. [1]

A corollary of central importance, since organizations are bound by history and convention, is:

> Corollary: Once an organizational type is defined as societal or technical, other new organizations will have to demonstrate that they are not of that type before redefinition can succeed.

Social definitions of appropriate procedures and practices have, over time, the force of facts. For example, educational organizations are firmly embedded in the institutional environment; it is unlikely that an educational organization could successfully redefine its environment as technological, escaping accreditation, certification, and other institutional requirements (Meyer & Rowan, 1978).

Consequences of Institutionally Derived Structure

Little work has focused on the consequences of formal organizational structure, whether derived from technological or institutional environments. Generally, structure derived from needs of core technology is presumed to have consequences largely internal to the organization: altered task organization, altered efficiency (Leifer & Huber, 1977). But structure derived from institutional requirements is thought to be de-coupled from technical activities and to affect, primarily, survival rates of organizations (Meyer & Rowan, 1977).

Generally, while organizations in the more "rational" approach to structure are seen as interpenetrated by the environment, most of these elements are either controlled or buffered to prevent them from having any direct influence on internal organizational functioning or structure (Thompson, 1967). Typically, organizations are seen as autonomous, in most senses not directly accountable to interests located outside

the organization. While private and public organizations are continuously inter-penetrated by customers (e.g., purchasers of cars) or clients (e.g., students of schools), it has been noted generally that these groups do not exert much control over respective organizations (see Hazenfeld, 1972, on people processing organizations in general). While in principle such groups exert control because they must select the product or service, they frequently operate within limited choice ranges (one must have a car and, according to the amount which can be spent, may have a choice between two or three major competitors) or have a "captive audience" (requirements for school attendance coupled with local school concepts ensure, at best, a restricted range of choice).

External Control

The key to understanding the effects of the environment or internal organizational structure appears to be the locus, extent, and legitimacy of external control over internal organizational process. In normal market environments, organizations are viewed as legitimately autonomous in pursuit of their own goals as defined by them. In striking contrast to this, organizations in institutional environments are seen as properly accountable to societal interests, and therefore as legitimately controlled by societal agents. To put it more directly, external administrative and legislative control is thought to be desirable in order to ensure that such organizations are, indeed, serving the societal interests they were created to serve or perpetuate.

Such external control necessitates the development of rules and procedures, and also rather formal rules for evaluation. As Kaufman (1960)

has pointed out, control without direct supervision (which has been termed "long range control") necessitates development of elaborate monitoring and evaluation systems and other control techniques, such as professionalization, to maximize "self-regulation." It should be noted that all public organizations can legitimately be held accountable, since they are ostensibly organized for the public good. It is not the case, however, that all are actually so controlled. For example, when secrecy is essential (CIA, FBI) such control is relinquished. Further, some control is thought to be legitimate in private industry to the extent that the common good is potentially involved (e.g., railroads, air transportation, "vital resource" industries such as coal and steel).

A second proposition can now be stated:

Proposition 2:

> The greater the extent to which an organization exists in an institutional environment, the greater degree of legitimate control and demands for accountability coming from the relevant environment.

The environmental control and demands for accountability are problematic to the extent that direct surveillance of organizational performance cannot be performed. As long as control is local, direct evidence can be obtained. But when funding and control come from extra-local sources, as in the case of school districts, accountability becomes more problematic. Effectively, the organization is required to become "self-evaluating" (Wildavsky, 1972), and to transmit the information obtained to the external sources of funding and control. A third proposition, then, is:

Proposition 3:

> If legitimate control and demands for accountability are extra-local, then organizations will be required to perform evaluation (or, minimally, monitoring) of their own activities.

At the same time, however, the support and funding the organization requires may be contingent on the results of the evaluation. One major consequence of this is the creation of internal organizational uncertainties and inconsistencies. Loose coupling of administrative structure from the rest of the organization (and activities from each other) may, instead of being dysfunctional, be the most rational strategy for maximizing production of positive evaluation results. Similarly, subunits responsible for responding to external demands for accountability will be loosely coupled to subunits performing other activities. This point will be developed more fully below.

Formal Structure and Signaling

Much as individuals use signals in negotiating the labor market (see Spence, 1974), organizations use signals to provide information to their environments. Organizations develop tasks, programs and goals, and even subunits to signal their intentions to the environment (on the latter point, see Meyer, 1980). Depending on the control which the environment has over the organization, the organization will proliferate formal structure which produces signals demonstrating accountability to the relevant environment.

In brief,

Proposition 4:

> To the extent that the environment has legitimate control

over an organization, the organization will produce structure which serves a signaling function.

Even organizations which are largely autonomous from the institutional environment may, under some conditions, be sufficiently constrained by it to produce structure which serves a signaling function. A case in point is the widespread existence of anti-trust departments in corporations. However, organizations more deeply embedded in the institutional environment (Zucker, 1977) have elaborated many aspects of formal structure which produce signals demonstrating accountability--evaluation units in schools, designed to transmit information concerning the quality and degree of task focus, and "management information systems" (MIS units) in local employment and training programs, designed to transmit evidence of internal competence in processing clients.

Formal structure which serves signaling functions is, in many respects, equivalent to boundary personnel: It has the function of representing the organization to the wider environment, of signaling its adequate performance as a means of generating additional resources, but has little internal responsibility (see Zucker, 1979). [2] Formal structure which serves largely boundary functions appears loosely coupled to the rest of the organizational structure precisely because it is not directly responsible for, or not focused on, internal task performance. Hence,

Proposition 5:

To the extent that components of formal structure are designed to send signals to the wider institutional environment, they are loosely coupled to internal organizational performance.

Institutional Structure and Evaluation Criteria:

What, then, of the content of the formal structure and the activity it generates? First, the content of formal structure created as a response to non-institutional, technological environments is primarily internal and task-focused, while that created as a response to institutional environments is primarily externally focused. Hence,

Proposition 6:

> Formal structure generated in response to technological contingencies is concerned with internal organizational functioning, while formal structure generated in response to institutional contingencies is focused on external representation of organizational functioning.

Second, the actual activities generated by the formal structure will be different: Organizations operating in institutional environments, such as schools, define their scope of activity to require being less and less certain about more and more (emphasizing ambiguity and uncertainty), while organizations not so externally accountable define their scope of activity to require being more and more certain about less and less (emphasizing control and certainty). Schools (and similar organizations) need to emphasize the uncertainty/ambiguity because they are held externally accountable to different (and changing) standards of what is institutionally proper. Business organizations are not held accountable externally to the same degree and the external standards which do apply are more uniform (e.g., anti-trust regulations).

Further, the greater the interpenetration of the local organizations by institutional demands and resources, the more ambiguous and uncertain activities are presented:

Table 2: Internal Role of Evaluation Units (N=227)

Activity	Percent	N
Staff In-service Training	66.5	151
Selection of Curriculum/ Program Materials	42.3	96
Allocation of Funds	36.6	83
Facilities Planning	33.9	77
Collective Bargaining	14.5	33
Teacher Performance Review	9.7	22

TABLE 3: CORRELATION MATRIX

	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1. Local/External Resources	-.007	-.087	.079	-.236	.266	.030	.160	-.087	-.025	-.045	-.373	-.335	-.268	.110	.171
2. Inrole	x	.177	.162	.163	-.202	-.038	.084	.365	.053	-.014	.068	.066	-.076	.063	.153
3. External Use	x	x	.346	.262	-.292	-.115	-.110	.179	-.016	.061	.097	.138	.028	.086	.102
4. Internal Use	x	x	x	-.055	.068	-.065	.134	.053	.124	-.125	.054	.090	-.116	.152	.058
5. EV Time: Ext	x	x	x	x	.867	.011	-.205	.136	.105	-.032	.085	.085	.124	-.178	-.032
6. EV Time: Int	x	x	x	x	x	.031	.207	-.177	-.106	.056	-.210	-.154	-.146	.135	.017
7. Test Use: Ext	x	x	x	x	x	x	.018	.021	.038	.030	.054	.070	.023	-.061	-.101
8. EV Eval Fed	x	x	x	x	x	x	x	-.138	-.089	.099	-.202	-.116	-.109	-.011	-.018
9. EV Act Range	x	x	x	x	x	x	x	x	-.066	.096	.300	.267	.066	.126	.230
10. "Tight" Coupling	x	x	x	x	x	x	x	x	x	.030	.056	.051	.142	-.089	-.009
11. Consult Budget	x	x	x	x	x	x	x	x	x	x	.111	.109	.224	.017	.139
12. EV Staff	x	x	x	x	x	x	x	x	x	x	x	.848	.466	.177	-.089
13. EV Budget											x	x	.389	.131	-.052
14. Dist Budget												x	x	.055	-.021
15. Dist Value													x	x	x
Mean	2.01	5.29	9.65	9.42	23.23	1.47	2.03	6.72	1.13	3.08	4.77	206.18	79.33	282.28	1.41
S.D.	1.40	.88	.70	6.23	6.67	.75	.82	2.07	.74	7.90	9.94	439.72	219.25	242.54	.60
#	263	221	250	256	256	200	259	263	245	241	262	247	236	186	244

Table 4: Regression of external and internal emphasis/use of evaluation results and organizational characteristics on the extent of local/external resources (R = .21)

	Unstandardized Regression Coefficients	(Standard Errors)	Standardized Regression Coefficients	F-ratios
External Use	-1.17	(3.63)	-.04	.10
Internal Use	-.55	(4.62)	-.01	.01
EU Time: Ext	-2.13	(1.46)	-.46	2.14
EU Time: Int	-1.61	(1.42)	-.37	1.30
EU Staff	-.81	(.55)	-.41	2.20
EU Budget	-.01	(.01)	-.06	.09
Dist. Budget	-.01	(.05)	-.02	.01
Dist. Value	.01	(.01)	.14	1.58

(Constant 1.39)

Table 5: Regression on external and internal emphasis/use of evaluation results and organizational characteristics on the external use of evaluation results (R =.32)

	Unstandardized Regression Coefficients	(Standard Errors)	Standardized Regression Coefficients	F-ratios
External Use	.14	(.17)	.08	.57
Internal Use	-.13	(.23)	-.06	.31
EU Time: Ext	.01	(.07)	.02	.01
EU Time: Int	-.05	(.07)	-.24	.66
Test Use: Ext	-.09	(.22)	-.04	.19
Local	.13	(.22)	.06	.34
EU Act Range	.24	(.08)	.37	9.48
"Tight" Couple	.12	(.17)	.07	.53
EU Staff	-.01	(.02)	-.12	.33
EU Budget	.00	(.00)	.06	.08
(Constant 1.82)				

Table 6: Regression of external and internal emphasis/use of evaluation results and organizational characteristics on the external use of evaluation results (R = .26)

	Unstandardized Regression Coefficients	(Standard Errors)	Standardized Regression Coefficients	F-ratios
Internal Use	.39	(.15)	.30	7.10
EU Time: Ext	.05	(.05)	.36	1.39
EU Time: Int	.01	(.04)	.07	.04
Test Use: Ext	-.20	(.14)	-.15	1.91
EU Eval Fed	-.18	(.12)	-.18	2.29
EU Act Range	.01	(.05)	.02	.02
Local/Ext Res.	.00	(.00)	.02	.03
"Tight" Couple	-.08	(.11)	-.08	.55
Consult Budget	.01	(.01)	.09	.64
EU Staff	-.01	(.02)	-.10	.16
EU Budget	.00	(.00)	.20	.86
(Constant 1.37)				