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The Ohio State University, Ph.D., 1976
Political Science, public administration

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1976
ORGANIZATIONAL INNOVATION
IN GRANT-IN-AID PROGRAMS

DISSERTATION

Presented in Partial Fulfillment of the Requirements for
the Degree Doctor of Philosophy in the Graduate
School of The Ohio State University

By

Timothy Joseph Michael Shay, B. A., M. A.

The Ohio State University
1976

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For my mother

and the memory of my father
VITA

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PUBLICATION


PRIMARY FIELDS OF STUDY

State and Urban Politics
Bureaucratic Theory
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Legislative Behavior and Policy-Making
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Chapter 1

Introduction:
An Overview of Organizational Innovation

And God created the Organization
and gave It dominion over man.

Genesis 1, 30A, Sub-
paragraph VIII, as
quoted by Robert
Townsend, Up the
Organization.

Life is, inevitably, full of problems. As we
grapple with those problems, sometimes we find that our
methods and goals alleviate them. Sometimes, though,
we learn that what we do offers only the most
pitiful resistance to the problems that seem to
overwhelm us. When that happens, the intelligent person
considers innovative behavior.

Innovative behavior, however, is not without its
risks. By definition, innovation involves attempting
the new and perhaps totally unfamiliar. Thus we cannot
be sure of our success. By innovating we may conquer our
problems; but that is only one possibility. Another
possibility, just as real, is that innovations may do
nothing to resolve the problems. A third possibility.
is that they may even make the problems worse. Then, of course, there is the ironic possibility that the innovative behavior may solve the problems but may unwittingly cause us to lose something else we hold very dear. Since we can never foresee all the potential costs of an innovative action, we are unsure of ourselves. We hesitate. Innovation is a pit we must step in, and we have no clear idea where the bottom is.

As Eric Hoffer has argued:

It is my impression that no one really likes the new. We are afraid of it. Even in slight things the experience of the new is rarely without some stirring of foreboding. In the case of drastic change the uneasiness is of course deeper and more lasting. We can never be really prepared for that which is wholly new. We have to adjust ourselves, and every radical adjustment is a crisis in self-esteem: we undergo a test, we have to prove ourselves. It needs inordinate self-confidence to face drastic change without inner trembling. (1963: 3)

To make matters worse, while we dimly realize that a variety of methods can be employed to effect change, we do not always fully appreciate the fact that Machiavellian tactics may be necessary if we are to succeed. Admittedly, in many cases, we may not be faced with such a possibility. Sometimes, though, we may. Whether this bothers us depends in part on who we are and what we believe in. A classic case
involving the use of perhaps dubious tactics occurred when the Louisiana NAACP asked Huey Long to hire black nurses in a new state hospital. Huey agreed to the innovation, but added that the NAACP might not like the way he effected the change. Governor Long then called a press conference, and said he had just spent a day touring the new hospital. Slamming his fist on the table, Huey angrily noted that he saw white women nurses waiting on black male patients. That sort of thing, he added indignantly, was going to stop at once. Thus Huey announced the hiring of black nurses for the hospital (Williams: 1970). Some of us may be ethically unwilling to go to such lengths to implement an innovation.

Whatever the reasons for considering innovative behavior, and whatever the methods employed in its implementation, innovation is something most people hesitate to undertake. The reluctance to engage in innovative behavior is, of course, not uniformly spread throughout the population. Some people have less reluctance to innovate than others.

These differences in attitudes towards innovation did not escape the notice of social scientists. In the early 1940s, they began to wonder if the differences in
willingness to embrace innovations could be systematically tied to personal characteristics. In 1943, Ryan and Gross studied the rate at which Iowa farmers adopted a new strain of hybrid corn. A central part of the research involved studying the communication patterns among the farmers, and the differences in personal characteristics of the early adopters and the late adopters (Rogers: 1975: 3-4). Ryan and Gross' study met with an enthusiastic response, and the systematic study of innovation had begun.

The study of individuals and their attitudes towards innovations became more and more popular in academe. By 1952, over 100 such studies had been completed. Between 1952 and 1962, another 450 were added. By the end of 1974, another 1,250 studies were published (Rogers: 1975: 3). Innovation studies eventually found adherents in at least 13 identifiable disciplines, ranging from anthropology to industrial engineering. The interest in innovation became so great that Michigan State University established a central depository to collect results of research on innovation done in the various disciplines (Engel, Kollat, and Blackwell: 580).

In time, social scientists realized that their methods and interests in individual innovation could be transferred to organizational situations. Using the techniques
developed in studying individual innovation, researchers turned their attention to organizations. To date, 373 studies on organizational innovation have been conducted (Rogers: 1975: 7). These studies employ much the same techniques as the individual innovation studies they grew out of.

Bureaucracy and Innovation:
Do Bureaus Really Need To Innovate?

While academic interest in organizational innovation is fine, nonetheless the question must be asked, "Do bureaucracies really need to innovate?" A look at the purposes of bureaucracy will suggest that the answer is a very definite "Yes."

Government bureaucracies serve several functions. It will be argued that every type requires innovation if the function is to be adequately performed. Examples to buttress this argument will be given as the functions are discussed. The functions are not discussed in an ascending or descending order of importance.

One function of government bureaucracies is to deal with external costs or benefits not taken care of by producers or consumers in their day-to-day operations. These external costs are often large, and, if left unattended, society as a whole would suffer. Thus
the responsibility to alleviate the problems falls to government bureaucracies. Pollution control is an example of a big-cost by-product of an industrial system that is left largely to governmental authorities to handle. Along with this responsibility, they have been given the legal authority to force innovations, such as unleaded gasoline, upon producers and consumers.

Innovative behavior by governmental bureaucracies becomes necessary because the external costs or benefits to be grappled with vary greatly over the years. The nature of the external cost or benefit can change drastically. For example, the water pollution problems of the 1970s bear only a slight resemblance to the water pollution problems of the 1890s. Also, the needs of the society for the government to tackle a particular external cost or benefit may vary enormously. As an example, in the 1820s and 1830s, the need for the federal government to build roads in, say, Kansas, was minimal. By the 1850s, though, tens of thousands of settlers had poured into Kansas, and they needed ways of traveling. Providing roads was a large external benefit only the government could realistically handle. The governmental policies of the 1820s and 1830s towards road-building in Kansas were inadequate in the 1850s. Only innovative
changes in those policies could meet the traveling needs of the Kansas settlers in the 1850s. Thus innovation becomes crucial if bureaucracy is to fulfill its functions.

A second societal function that falls to government bureaucracies to provide are indivisible benefits. An indivisible benefit flows from a collective good. As soon as the good exists, everyone is able to benefit from it regardless of whether he or she has paid for it and regardless of how many others are also benefiting from it. The collective good cannot be handled adequately by private markets. The beneficiaries have every incentive to try to avoid paying their share of the costs, and undoubtedly many would choose to do so. Also, since the benefits are indivisible, there would be no way to deprive non-payers of their share of the benefits. Thus the responsibility for providing the indivisible benefits, such as national defense, falls to government bureaucracies. Only they can use legal coercion, or taxes, to make everyone pay for the indivisible benefits.

The reasons for the necessity of innovation cited for the function of providing large external benefits or costs apply here as well. Another reason can be added. Many things of importance, such as national defense,
maintenance of law and order, enforcement of contracts and education, involve some indivisible benefits. Since most people perceive all of these as being necessary and as being highly desirable things for the government to provide, there is a danger that public debate on the operations of them may be muted. Moreover, when debate and criticism becomes muted, abuses can and do creep in. Administrators may feel no pressure to innovate. They may see that present goals and methods generate praise or at least very little criticism. They may think to themselves, "Why, then, should I rock the boat?" If enough years pass in such a lethargic environment, waste and inefficiency may increase astronomically. When this occurs, the government bureaucracy may be spending huge sums of money but may be doing only a second-rate job of providing indivisible benefits. Innovative behavior can help keep the waste and abuse down. Innovative behavior, in the area of indivisible benefits, though, may need the prodding finger of public debate and criticism.

A third government function is that of redistribution of income. Some redistribution can be accomplished through private charity. However, the citizens may decide such private action, while commendable,
is insufficient. Accordingly, government bureaucracies may be established to administer tax-funded programs to redistribute income. Unemployment compensation, aid to the blind, aid to the aged, and aid to dependent children are examples of government-run income redistribution programs.

To redistribute income fairly, the bureaucracies must do two things: 1) Distribute income to all those eligible, and only to those eligible. 2) Make sure they distribute to recipients neither less nor more than the law specifies. Accomplishing these two goals may be difficult. Especially in economically depressed eras, the demands made upon the bureaus may be enormous. Thus to treat every aid applicant fairly may require innovations, especially in methods of interviewing and in methods of evaluating claims. For example, certain procedures may be adequate to handle unemployment compensation claims when unemployment is 2%. If, however, unemployment soars to 10%, those same procedures may fail to treat applicants fairly or to prevent waste and abuse. Thus, as circumstances change, administrators may want to anticipate a bit and innovate while environmental changes are still in the formative stage. This, of course, is not without its dangers, and hence
most administrators refrain from such anticipatory innovation.

A fourth function of government bureaucracies is the regulation of monopolies. For technical reasons, some operations, such as electric utilities or telephone companies, must be monopolies. In other industries, economies of scale or patent controls enable some producers, such as IBM, to exert colossal influence over the market place. Government bureaucracies are often created to protect the consuming public in such monopolistic markets.

A fifth and related function is to protect consumers from their own ignorance or incompetence. For some products, such as drugs or vitamin pills, the public lacks the technical competence and technical equipment to measure the quality or the safety of the product. Government bureaucracies thus have been established to measure quality and safety in order to protect the public from careless or unscrupulous producers. The FDA is an example of a bureau established for this purpose.

Innovation in these two areas is necessary for all the reasons cited in connection with previously discussed government functions. Three other reasons
for innovation here can be added. First, innovation may reduce undesirable side effects. If regulatory agencies fail to innovate, they may end up creating problems as well as solving them. Regulatory agencies may, for example, end up protecting not so much the consumer as the less efficient producers. A recent article noted:

Evidence suggests that some agencies, principally the older ones, help limit free competition and keep prices high in the industries they regulate.

The Civil Aeronautics Board refused to allow a British firm, Laker Airways, to fly regular New York-to-London flights for $270 round trip. Existing airlines fly the same route for $626 for a roundtrip economy-class ticket (Jackson and Witt: 1976).

A second reason for innovation here springs from the fact that more than one bureau may be regulating the same industry. If innovation, especially in terms of working with other regulatory bodies, is not stressed, bureaus may give contradictory mandates to those they regulate. To do so wastes everyone's time and money. Bureaus with overlapping jurisdictions must learn to coordinate their activities, and that often requires innovative thinking and innovative applications. Such behavior is possible,
though, as the following example indicates.

Job safety rules call for protective railing around blood pits in meatpacking plants, but Agriculture Department inspectors disapprove of the railings because they become encrusted with gore and are unsanitary. So OSHA compromised by allowing employees to use safety harnesses to prevent their falling into the pits (Jackson and Witt: 1976).

A third reason for innovation here centers around the slowness of the regulatory body. The FDA once went through nine years of hearings, proposals and comment periods before deciding that anything labeled "peanut butter" must contain at least 90% peanuts. The FCC has been considering two competing applications for a radio station license in central California since 1970, and still has not reached a decision. (Jackson and Witt: 1976) In many cases, such time lags are not in the best interest of the producers or the consumers. Furthermore, if the issue at stake involves product misrepresentation or potential fraud, excessive time lags may benefit only the unscrupulous producers. Thus, innovations are necessary to speed up the process of regulation. Unless a bureau engages in innovative behavior, it may find itself taking longer and longer to make less and less important decisions.
A sixth governmental function is to compensate for aggregate instabilities or deficiencies in a market economy. This involves measuring the performance of the economy (a task assigned to the National Income Section of the Department of Commerce), making recommendations regarding compensatory steps to be taken (one job of the President's Council of Economic Advisors), or to take such steps (as is done by the Federal Reserve Board).

Performing these tasks may not be easy. One recession may bear a familial resemblance to another of an earlier period, but at the same time it probably differs from earlier ones in important ways. The same can be said for other economic conditions, such as periods of prosperity or depression. Thus, since no two economic eras are identical, it follows that remedies that worked in the past may need modification if they are to handle present or future situations. Thus innovations in this area are both desirable and necessary.

A seventh function is to perform research and development in some industries, such as agriculture, where producers are so fragmented that the competitive market may create no incentive for research and
development. As a result, government bureaus may be created to perform such research, and to reduce the shock caused therein by the resulting technical changes in production.

The need for innovation in this seventh functional area is obvious. As the costs of labor and materials rise, increases in production are necessary to offset those cost increases. Without research and development, however, the innovations that produce the increased production may not materialize. Particularly in agriculture, such an event would be disastrous. Food production is already having a difficult time keeping up with the demands of a hungry world (Changing Times: 1975: 33-6).

Moreover, a study of 1300 scientists and engineers in 11 research and development laboratories suggests that research and development creativity increases when innovative in-house ideas are made standard operating procedure. In the study, creativity increased when individuals worked on particular specialities as main projects for relatively short periods, where coordination was loose, where there was an opportunity to influence decision makers, and where there were good methods for communicating ideas (Pelz and Andrews: 1966: 171).
The need for in-house innovation, is, of course, not confined to research and development laboratories. Other government bureaus need it to promote fairness in handling clientele, to speed up administrative processes, and to curb waste and abuse.

An eighth function of government is the creation of a framework of law and order. Starting from the ethical premise that men are of inherently equal value in some ultimate sense, society has a normative obligation to create systems of law and order that apply a single set of rules impartially to everyone. However, markets respond to money signals and money is very unequally distributed in almost every society. Therefore, the creation and maintenance of a framework of law and order, and the attempt to achieve equal justice for all, falls to a non-market entity, the government.

Achieving equal justice for all may be, like cleanliness, next to godliness. It may also be next to impossible. However, if a society is to make any progress towards the goal, it must try new ideas. Over the centuries, embezzlers, con men, extortionists and criminal syndicates, among others, have shown a remarkable capacity to innovate. It seems a new technology is hardly past the research
and development stage before unscrupulous people find ways to use it for their own, often illegal, purposes. Justice officials must innovate, then, just to keep up with the crooks.

Another problem in this area is that of fair treatment for those accused of crime. The operational definition of "fairness" does not remain static. Justice officials thus must adopt innovations to make their behavior conform to the altered expectations of society. In recent years, for example, courts have often coerced justice officials into adoption of innovations. Thus, both for the protection of society and for the protection of the rights of the accused, justice officials have an obligation to innovate.

A ninth function of government is to perform those tasks that must be done if the government itself is to operate. The Treasury Department, the General Services Administration, the Office of Management and Budgeting and the General Accounting Office, among others, perform housekeeping types of operations for the entire family of government bureaus. It would be very difficult and probably very inefficient to have anything except government
bureaus provide the in-house services necessary for the maintenance of government.

Innovation here is necessary to reduce waste and abuse, to lessen the possibilities that bureaus will work at cross purposes, and, most simply, to provide routine in-house services, such as the purchase of autos for agency pools, in an orderly manner.

All in all, every governmental function is important and every governmental function requires a certain amount of innovation if the functions are to be performed in a satisfactory manner. An organization that fails to innovate eventually may do a poorer and poorer job of performing its assigned functions.

But What Is "Innovation"?

Innovation thus serves to enhance governmental performance. But what is an "innovation"? How does it differ from the things that are not innovations?

For this dissertation, an innovation is the adoption of means or ends that are new to the adopting unit (Downs and Mohr: 1975: 4).

This definition has at least three strong points.
First, it is neutral or value-free. The means or ends that are adopted need not be "good" to be classified as innovations. Judging the "goodness" of something that is new to the adopting unit is fraught with difficulties, and is best avoided. One problem with judging "goodness" is that some innovations may be good for some organizations and bad for others. Thus making "goodness" a part of the definition would entail making highly speculative judgments about each innovation adopted by every organization surveyed. The results of such speculative judgments could have nothing but a wing-and-a-prayer quality to them.

Simply put, many innovation are just not suitable for every organization. As Everett Rogers argued:

(The) pro-change bias may have been justified in the case of many of the agricultural innovations that were originally studied. . . . After all, hybrid corn was a highly profitable innovation for farmers. But many innovations do not have such a universal usefulness, and such innovations may be appropriate for adoption only by some individuals, and by some organizations. Methadone maintenance and dial-a-ride and mace are not in the same league of relative advantage as hybrid corn (1975: 3) (emphasis in text).
Two of the interviews conducted for this research provided a graphic example of Roger's point about a lack of "universal usefulness." In one interview, the administrator detailed how method X had been replaced by method Y because Y's advantages were so great and X's flaws were so enormous. Two weeks later, in another interview, another administrator detailed how her department had dropped method Y because its flaws were so great and had adopted method X because its advantages were so numerous. Thus, as Rogers maintains, some innovations may be appropriate for adoption only by some organizations. Consequently, making judgments about the goodness or desirability of an innovation is too risky to undertake. Thus the definition avoids any mention of it.

The second advantage is that it focuses on that which is new to the adopting unit. This focus makes it possible to study organizations that may be ten or fifteen years behind other organizations in the adoption of new means or ends. If the definition focused instead on that which was new to the environment, the research would have to be limited mostly to those organizations that were early adopters of
innovations. Such a limitation would be unduely restrictive. 3

The last advantage is that the definition is limited enough so that it avoids many of the problems associated with other definitions found in the literature. Most other definitions tend to be too inclusive in part while being not inclusive enough in other parts. Hence they generate problems for themselves and whoever tries to use them. Several other definitions that were examined but were rejected will be discussed briefly.

Victor A. Thompson suggested that "By innovation is meant the generation, acceptance and implementation of new ideas, processes, products or services." (1965:2) Thompson's definition may be too broad to be completely accurate. Lawrence B. Mohr, for example, noted that innovation is not invention. Invention involves bringing something new into existence. In effect, this is the "generation" Thompson included in his definition. Moreover, if one would use Thompson's definition, one might have to establish that an adopting agency generated or invented the new idea, process, product or service. This might be very difficult. Determining
paternity may be baffling: no one may know who really fathered the idea, or conversely, many different people and organizations may all claim credit. An investigation to sort out the facts could be time-consuming and fruitless, as well as pointless.

Mohr argued instead that innovation involves not so much creating something new but rather bringing that something new into use. To him, organizational innovation is "the successful introduction into an applied situation of the means or ends that are new to that situation." (1969: 112) Jack L. Walker (1969: 831) and Virginia Gray (1973: 1174), in their separate studies of innovation in the American states, largely based their definition of innovation upon Mohr's.

The definition is fairly close to the definition to be used in this dissertation. The closeness is not too surprising since the same man, Lawrence S. Mohr, had a hand in writing both of them. The definition just given was rejected, though, because of its use of the word "successful." The definition calls for the "successful introduction into an applied situation" of an innovation, but is not
success one of the most difficult things in the world to measure? The problem here parallels the problem with goodness. Determining whether a new idea is a success may be as hard as determining whether or not it is good for the organization--to say nothing of the society the organization serves.

Rowe and Boise defined organizational innovation as the "successful utilization of processes, programs or products which are new to an organization and which are introduced as a result of decisions made within that organization." (1974: 285) The first half of their definition closely parallels Mohr's, and hence offers the same problem with the word "successful." The second half has an appealing appearance that tends to vanish upon close scrutiny. Rowe and Boise insisted that the new process, program or product be a result of the decision-making process of the organization. Under this definition a change forced upon an organization is not an innovation for the organization. While this approach does make some sense, it has an unfortunate consequence. All innovations pushed upon an organization by outside forces are automatically excluded from study. Such an exclusion
may mean that the most important changes the organization underwent may be completely ignored.

Becker and Whisler defined organizational innovation as "the first or early use of an idea by one of a set of organizations with similar goals." (1969: 463) Rowe and Boise commented:

> For Becker and Whisler, an organization should be credited with an innovation only if it assumes the risks involved in being among (sic) the first to utilize an idea . . . . (1974: 285)

While this definition, like all the others cited, has strong points, nonetheless it has definite drawbacks. First, it may unduely restrict the universe of organizations to be studied. Organizations that seldom if ever are the early adopters of an innovation either cannot be studied, or would be studied only as tagalongs.

Second, the definition assumes that the risk is great only for the early adopters. Such may not be the case at all. Local conditions may make adoption of an innovation "risky" for an organization even if many, many other similar organizations across the country have already adopted it. Fluoridation of drinking water, while widespread,
is still quite controversial in many cities. Adoption of fluoridation would be risky to an organization, such as a city council, in many parts of the country. Municipal payroll taxes and zoning laws are common in many large cities, but are often rare in small communities. Proposing either or both, to say nothing of actual adoption, in a small community could be quite risky. A last example is that of school integration. While racially mixed classrooms are not an innovation in most parts of the country, apparently in some school districts in Mississippi blacks and whites go to the same school building, but attend all-white and all-black classes inside the building (Van Meter: 1974). To alter this situation, most everyone would agree, would be risky. Yet, under Becker and Whisler's definition, altering such a situation would not be an innovation, since many other school districts have already done it. Also, putting fluoride in water, levying a municipal payroll tax or writing zoning laws would also fail to be innovations under their definition. Such exclusions appear to be overly harsh. Hence the definition will not be used.
Numerous other definitions could be discussed. A 1968 study found 51 different concepts of innovation, defined either explicitly or by implication (Hawes). Everett M. Rogers (1962: 13), James Q. Wilson (1966: 196) and Terry N. Clark (1968: 2), just to cite three, all offer definitions not examined here. However, the definitions already discussed are indeed a representative selection. The Mohn-Downs definition, given at the beginning of the section, appears to be the one most suitable for this study, and hence it was chosen over all the others.

Ryan and Gross' Hybrid Corn Study:

The Model For Innovation Research

The Ryan and Gross study in the early 1940s of the adoption of hybrid corn was not just a pioneer work in innovation. Nor was its chief contribution the fact that it encouraged hundreds of other social scientists to do empirical research on innovation. Rather, or, in addition to all this contribution, the Ryan and Gross study became a model for virtually every subsequent study of innovation. The "hybrid corn" model became a
"classical model," to be much, much copied by later researchers. Perhaps there is a parallel here with Floyd Hunter's power structure study of Atlanta that was widely copied by other researchers studying other cities. Everett Rogers succinctly noted the key features of the Ryan-Gross model.

The main elements in the "classical model" of diffusion that emerged are (1) the innovation, defined as an idea, practice, or object perceived as new by an individual or other relevant unit of adoption, (2) which is communicated through certain channels (3) over time (4) among the members of a social system. (1975: 3) (emphasis in text)

The fact that this model has been widely used by later researchers is beyond dispute. In fact, one might make a case that it was too widely used and too freely copied. Diana Crane's analysis of the innovation studies in rural sociology suggest that a very, very heavy borrowing from Ryan and Gross has occurred. She noted, somewhat glumly, that because of this heavy utilization of Ryan and Gross:

A significant proportion of the innovative work in the area had already been done by the time the field began to acquire a significant number of new members (1972: 67).
Everett Rogers argued that rural sociologists were not the only researchers to lean so heavily on Ryan and Gross. He complained:

The hybrid corn study in Iowa by Ryan and Gross (1943) set forth a new approach to the study of communication and change, that was soon followed up by an increasing number of scholars in a wide variety of scientific fields. Most of the 32 years and 2,699 publication dealing with the diffusion of innovations have only followed up on the original leads provided by the hybrid corn study, exploring them in greater empirical detail but seldom truly new ground. In short, the study of innovation has not been very innovative. (1975: 3, 4) (emphasis in text)

Perhaps one reason for the use or overuse of the hybrid corn model was the fact that it attempts to correlate personal characteristics with the early or late adoption of various innovations. Since social scientists were already doing so much research, such as voting behavior studies, that attempted to correlate personal characteristics with some important type of behavior, the attempt by the hybrid corn model to correlate personal characteristics with adoption of innovations probably seemed perfectly reasonable to researchers. When innovation research turned its attention to organizations, perhaps the only alteration in the
model was to drop the personal characteristics notion and study instead the organization's "personal characteristics," or internal variables. Those internal characteristics have been given a rather thorough dissection in the literature.

Organizational Innovation Literature:
The Stress Is On Internal Variables

Perhaps the broadest overview in the literature came in a speculative piece by Victor A. Thompson. He gave a virtual laundry list of internal characteristics that are needed to induce innovation. He cited such characteristics as uncommitted resources, a diversity of inputs, structural looseness, freedom from unusual external pressures, group processes, professionalism, psychological security, and at least some degree of benevolent competition among the organization's employees (1965: 10-20).

The research of Lawrence B. Kohr on the determinants of innovation in local public health agencies in the U. S. and Canada and the research of Pelz and Andrews on creativity in research and development laboratories provided empirical support for the
kind of climate advocated by Thompson ("Rowe and Boise: 1974: 287"). Mohr hypothesized and found support for the notion that innovation was a function of the interaction among motivation, obstacles and resources (1969: 114). Organizational wealth, or resources, appeared to be an especially crucial variable. Mohr found a "strong relationship between expenditures and innovations in these (public health) organizations. . . ." (119) He argued that wealth, especially when possessed by large organizations, promotes "slack innovation." If an organization has excess resources, or some "slack," it may exhibit a tendency to move into non-traditional programs (122).

Moreover, in his discussion of why small departments have a difficult time being as innovative as large departments, Mohr stressed the fact that small organizations lack the wealth needed to undertake a variety of non-traditional programs (121-2). All in all, as Rowe and Boise put it, "Mohr's study emphasizes the significance of excess resources." (1974: 287) Wealth is, of course, an internal characteristic.

Pelz and Andrews, who interviewed 1300 scientists
and engineers in 11 research and development laboratories, likewise strongly stressed internal characteristics. As mentioned in connection with the discussion of the governmental function of providing research and development in some industries, Pelz and Andrews found that innovation and creativity increased when individuals worked on particular specialities as main projects for relatively short periods, where coordination was loose, where there was an opportunity to influence decision makers, and where there were good methods for communicating ideas (1966: 171). Contact with the outside environment is not stressed.

Pelz and Andrews seemed to emphasize two internal characteristics. Decision making is one that gets special attention. In part, they wrote:

High performance accompanied weight exerted by the scientist himself jointly with his chief (in development labs), or jointly with his colleagues (PhD's in research labs); performance was low for all groups when the chief alone decided. . . . Twice as many projects were judged highly innovative if
(a) the project director has a superior with whom he discussed the research but who did not determine the procedures, compared to situations in which there was either (b) no administrative superior, or in which (c) a dominant superior substantially determined procedures. . . . Perhaps the idea of a
man "interacting" with others is more appropriate than having others "tell him what to do."
The man who was "told" by his chief alone, with little voice himself, was not effective (6, 9, 22, 32; see also 15, 17, and 171).

Thus, the degree to which decision making is decentralized inside an organization emerges as a major independent variable.

The second internal variable they stressed was the degree of personnel professionalism. For PhD scientists in development-oriented laboratories, the more areas of specialization they possessed, the higher was their scientific performance. The findings for PhD's in research-oriented labs was similar (61).

Pelz and Andrews dubbed this phenomenon intellectual "diversity," and argued that it was essential to promote good performance and innovativeness (54ff, paraphrase in part). Thus personnel professionalism also emerged as a major inducer of innovation.

Rowe and Boise summed up Pelz and Andrews' study and Mohr's study this way:

In general, the factors identified in these two studies tend to support the notion that innovation is fostered in a loosely structured, professionalized organization with at least some excess resources (1974: 287).
The stress on internal variables is not limited to the discussions of what induces innovation. Discussions of what confounds innovation also turn out to be discussions of internal variables. Victor A. Thompson argued that typical bureaucratic characteristics, such as hierarchy and an internal control system designed to suppress conflict, may promote efficiency and production but only at the expense of innovation (1965: 1-10). James Q. Wilson offered the notion that a loosely structured, highly professionalized, highly diversified organization, such as the one Thompson argued will induce innovation, may actually promote a climate in which many innovations are proposed but few are ever adopted. (1966: 200) In effect, Wilson argued that the diversity in such an organization may lead to tremendous in-fighting over whose innovative proposals are to get the organization's time, money and attention. Most typically, combatants will be able to defeat others' proposals but will not be able to build enough of a coalition to win approval of their own proposals. A study of a large Midwestern hospital suggested that many of Wilson's comments about in-fighting among professionals may be
correct (Laffoon: 1975: 113-122). Whether or not one accepts Thompson’s and Wilson’s interesting arguments, though, one cannot doubt that they stressed almost exclusively the importance of internal variables.

In his critique of organizational innovation studies, Rogers also argued for the importance of internal variables. Although he was unhappy with much of the literature, he accepted the prevailing notion that internal characteristics are the most crucial variables. Rogers argued that five independent variables merited further investigation: performance gaps, re-invention, external accountability, slack resources and organizational effectiveness (1975: 20-24). Not too surprisingly, four of Rogers’ five variables are internal characteristic variables. All in all, the literature is very firmly fixed upon the idea that internal characteristics are the prime inducers, or confounders, of organizational innovation.
A Dissenting Opinion:  
External Actors Are More Important.

Recent research by Feller, Menzel and Engel disputed this majority opinion. They studied adoption of four technological innovations in the policy areas of transportation and air pollution control. The innovations were adoption of impact attenuators (crash cushions for motor vehicles), computer modeling in highway planning, adoption of automatic telemetry systems (to measure air quality), and computer modeling in air quality planning. The sample states were Maryland (pretest site), California, Illinois, Kansas, Michigan, Minnesota, New Jersey, New York, North Carolina and West Virginia (1974: 11-16).

They selected four internal characteristics that were frequently mentioned in the literature as inducing organizational innovation: personnel professionalism, agency resources (organizational wealth), agency professionalism (decentralized decision making, structural looseness, etc.) and agency autonomy. Their testing suggested that the importance of each variable has been overstated.
Concerning personnel professionalism, their data showed "no support for the hypothesis that early adopting agencies contained more professionally inclined personnel than late adopting agencies." (71)

Concerning agency resources or organizational wealth, their conclusions were almost but not quite as negative.

A strong correlation is evident between nonadoption and fiscal-manpower resources. . . . The four agencies with the smallest budgets—Michigan, North Carolina, West Virginia, and Kansas—were nonadopters of air telemetry technology. West Virginia and Kansas were also nonadopters of computer modeling.

Interestingly, the data do not show an equally strong association between early adoption and fiscal-manpower resources. . . . Now consider the resources available to highway-transportation agencies and their adoptive behavior. Do small budgets discourage early adoption, as was the case with air pollution agencies? The data . . . suggest a "no" response to this question. . . .

The data reported here do not establish a firm relationship between agency resources and early-late adoption of new technologies. There is no apparent relationship whatsoever between ample resources and early adoption, although the data on air pollution agencies suggest that limited resources impose a negative influence on adoption (80, 82).

The very modest role played by agency resources or organizational wealth is a far cry from that suggested by the rest of the literature. If nothing else, Feller, Menzel and Engel indicated that too
much explanatory power has been assigned to the organization's resources or wealth.

The third internal characteristic they examined was agency professionalism. "Agency professionalism" referred to:

... a professional climate ... in which members are encouraged to attend professional meetings, are rewarded for professional achievement, are provided with an adequate professional library, are afforded the opportunity to peruse current trade periodicals and are able to participate in agency decision making (89).

In short, agency professionalism included some of the variables that are much discussed in the literature, such as decentralized decision making (Thompson, Pelz and Andrews), good methods for communicating ideas (Pelz and Andrews), and incentives for achievement (Thompson, Wilson). After examining the data, Feller, Henzel and Engel found "no support" for the hypothesis that "As the professional climate of an agency increases, agency adoption of new technology increases." (89)

The fourth variable, agency autonomy, showed similarly poor correlations with innovation.

Examining the data for highway-transportation agencies,
they stated:

Because the data show little consistency, it cannot be concluded that agency autonomy is related to the adoption of new technology. (89)

Overall, they seriously discounted the influence of internal characteristic variables upon organizational innovation. They wrote:

Internal, or agency-related, variables were examined. Major attributes of decision makers, decision units, and the setting of decision making were inspected and found to explain very little of the observed variation in date of adoption (91).

What is much more important, they concluded, are the external contacts an organization has. Its contacts with other governmental units are especially important.

The emerging central conclusion is that first or early use of new technical innovations by one of a set of public organizations with similar goals can best be viewed as the result of the interplay between the agencies and their environments, particularly the triangular relationship among change agents, the federal government, and local-state agencies. . . .

In the main, state agency officials identified variables external to their agency as primarily responsible for stimulating adoption. They maintained that the federal influence (e.g., legislation, technical assistance,
fiscal support) was of central importance in their decision to adopt the sample technologies.

Public sector innovation, in brief, should be viewed from a macro-perspective; a focus limited to the attributes of adopters and their immediate environments is likely to obscure rather than clarify the "how" and "why" of adoption (154, 91, 154; see also 161).

It would be extremely foolish to deny or ignore the limitations of this study. Perhaps the most obvious is that it covers only four innovations. Moreover, since the innovations are products marketed by private corporations, commercial vendors play an important role (127-134). Since vendors may not play anything but a much reduced role in many other policy areas, the situations examined by Feller, Menzel and Engel may be somewhat atypical. Nonetheless, the fact that internal characteristics correlated so poorly with innovation adoption is indeed striking. Nothing in the literature suggested such an outcome. Thus, although their findings must not be universalized, it would be equally foolish to ignore their study altogether.

Thus two positions emerge from the literature. To oversimplify a bit, the dominant one is that internal variables induce innovation. The minority
position is that the importance of internal variables has been exaggerated. What is far more important, in the minority view, are the contacts the organization has with outside actors. Thus public sector innovation should be viewed from a macro-perspective. To focus almost exclusively upon the internal characteristics of the organization probably obscures rather than clarifies our understanding of the process of innovation.

To a large extent these two positions are mutually exclusive. Either the internal variables are most salient, or the activities of external actors are. The researcher must, therefore, choose between the two positions.

One Vote For External Actors
And A Critique Of The Hybrid Corn Model

Before such a choice is made, though, one should ask, "In what context is organizational innovation to be studied?" The context is indeed important. As Downs and Mohr argued, a "unitary theory" of innovation probably does not exist. Rather, they maintained that "distinctive types of innovation" do exist (1975: 7). It is possible, at least at a conceptual level, that in some types
the internal characteristics are most salient, while in others the contacts with external actors do the most to induce innovation.

The context of this particular study is grant-in-aid programs. The focus will be upon local governmental organizations in the policy areas of vocational education, relocation in urban redevelopment, and welfare. For this context and focus, the case will be made for contacts with external actors being more important than internal variables in inducing innovation. The theme of the dissertation will be as follows: many innovations, but not all innovations, originate outside the local governmental organization. The organization is then coaxed or coerced into adopting the innovations offered by others.

An analysis of the hybrid corn model will show why it and the subsequent stress in the literature on internal variables is not appropriate here. Some of the criticisms of the model and the literature may apply in other contexts as well.

Ryan and Gross' hybrid corn study did provide a useful model for research, and some excellent work, such as that of Walker (1969) and Gray (1973),
has been done based upon that model. Nonetheless, even the best model has limitations. Seldom is anything applicable everywhere.

In particular, the hybrid corn model probably is not well suited to the study of grant-in-aid programs. The model may be inappropriate here because it assumes that the adoption of innovations is always voluntary. Such an assumption was completely reasonable when Ryan and Gross were studying farmers and their willingness or reluctance to adopt a new strain of hybrid corn. The farmers in their study were indeed free agents, capable of adopting or not adopting the innovation as they alone saw fit.

Moreover, probably in most other studies of individuals and innovation adoption the assumption of voluntary adoption is also valid. However, when the field of study was enlarged from individual innovation to organizational innovation, the assumption of the voluntary nature of innovation adoption was maintained. Such an assumption, when the focus is on organizations, may be very inaccurate.

In fact, it will be demonstrated, in chapter four, that many innovations in grant-in-aid programs
are coercive, not voluntary, in nature. The local governmental organization adopts many innovations, not voluntarily, but because of external pressures. Federal or state officials may threaten a cut-off of funds if innovations are not adopted by the local organization. Court decisions may mandate changes in the operations of the local organization. A civil service commission may force the organization to modify its hiring and promotion practices. Clientele groups may picket, stage sit-ins, sue, build coalitions with local politicians, generate negative media coverage for the local organization, and embarrass the organization in a hundred other ways in an effort to force it to adopt innovations the clientele groups want to see adopted. There are literally dozens of ways the local organization can be coerced into adopting an innovation.

Unfortunately, the hybrid corn model allows for none of them. In fact, the model simply would not work if the innovations studied were not voluntary. Since the model seeks to learn who is among the early adopters and who is among the late adopters, and how they differ in personal or internal
characteristics, only voluntary innovations can be studied. If coercive innovations were to be used, the time lag between early adopters and late adopters might be so compressed in many cases that studying the time lag would not be especially fruitful. Also, studying the internal characteristics might be irrelevant since the innovations were being forced upon all the organizations under study regardless of how the organizations differed in internal characteristics. The hybrid corn model is a good model, but it is one that is limited to the study of voluntary innovations. The model simply cannot accommodate coercive innovations.

In grant-in-aid programs, though, coercive innovations are plentiful. Thus, if one is to study grant-in-aid programs, the hybrid corn model may not be suitable.

Another problem with the model is that the researcher is the one who selects the innovations to be studied. While there is some merit in this approach, it does have drawbacks. First, it substitutes the researcher's judgment for the administrator's as to what is or is not an important
innovation. By so doing, some important innovations may not be studied at all. The researcher, who does not deal with administrative problems on a daily basis, may be unaware of certain innovations, or may not fully appreciate their importance. Thus, he or she may exclude them from the study altogether.

A further problem is that the model tends to focus on a too highly limited number of innovations. As a result, one can end up knowing a great deal about a mere handful of innovations. For example, Feller, Menzel and Englert studied only four innovations. Gray fixed on twelve, Ryan and Gross only one.

To summarize the points made thus far, the hybrid corn model has the following limitations. 1) By focusing on so few innovations, it ignores far too many. 2) By allowing the researcher to select the innovations, it may be missing the most important innovations the organization adopted. 3) By concentrating on voluntary innovations, it excludes all coercive innovations.

A fourth problem with the model, and the literature built upon it, is that it concentrates solely on adoption. However, as walker admitted, adopting an innovation is one thing, while funding
it and making it work is quite another matter (1969, 881 paraphrase). Day-to-day administration, and implementation, are virtually completely ignored by the literature and the model. This is a mistake. As Van Meter and Van Horn argued, it is "naive" to assume that just because a policy has been "made" by a government it will be implemented in a manner satisfactory to the original policy maker (1975: 450). In this regard, innovations are like policies: they do not implement themselves.

Moreover, to be useful to an organization, an innovation may have to be remolded considerably by the organization. As Rogers argued:

In actuality, many innovations go through extensive revision in the process of their adoption and implementation within the organization. In an extreme case, the innovation may almost be "re-invented" by the organization. . . . The possibility that re-invention may be common in many situations raises some fundamental questions about an implicit assumption of diffusion research: That the innovation is a fairly standard item to those who adopt it (1975: 21, 22).

For these reasons, a greater stress on day-to-day administration and implementation is in order.
The hybrid corn model and the literature all too often tend to assume that the date of adoption is the most crucial moment of all. In reality, on the date of adoption the most interesting phenomena may be just beginning.

Finally, the literature and the model fail in that they do not address themselves to a whole bundle of interesting questions. Questions left untouched are: What percentage of innovations are suggested? coerced? Are some types of innovation more likely to be suggested? Are some types more likely to be coercive in nature? Which external actors do more coaxing than coercing? Which actors do more coercing than coaxing? In which subtypes of innovation does the most coercing occur? In which subtypes does the most coaxing occur? For what functions of the organization are innovations proposed, suggested or coerced? What organizational functions are various innovations intended to promote?

All of these questions are left untouched in the literature. However, all of them will be tackled by this dissertation. They will be tackled by means of an alternative model. While the
hybrid corn model focused on a limited number of innovations, this dissertation will focus instead on organizations. While the hybrid corn model allowed the researcher to draw up the list of innovations, this dissertation will leave that task to the administrators who will be interviewed. While the hybrid corn model, and the literature, fixed on internal variables, this dissertation will focus instead upon the organization's contacts with outside actors, and will argue that those contacts are far, far more important in inducing innovation than are the internal characteristics of the organization. Chapter 2 will detail the alternative research model to be used and the hypotheses to be tested in the study.

Summary

Governmental organizations have been assigned many important functions. To fulfill these functions, governmental organizations must grapple with a complex, sometimes hostile, ever-changing environment. To grapple successfully over time with that environment requires a willingness to change and to adapt, to
discard old methods and goals and to adopt new ones. In short, what is needed is a willingness to innovate.

For this study, innovation is defined as the adoption of means or ends that are new to the adopting units. This definition was picked over several others because it is value-free, because it focuses on that which is new to the adopting unit, and because it is restrictive enough that it avoids many of the problems associated with other definitions found in the literature.

The dominant model for researchers in organizational innovation is the Ryan-Gross hybrid corn model. The model stresses the voluntary nature of innovation, and the internal characteristics of early and late adopters of innovations. The model has many advantages, and many excellent works have been done based upon it.

Nonetheless, the model, like all others, is not universally applicable. One area where it may not be applicable is that of grant-in-aid programs. In that area, many innovations are coercive in nature. Since the model does not address itself
to coercive innovations, to apply it to grant-in-aid situations is to write out of the study many, many important innovations. Consequently, for this reason and others, this dissertation will use an alternative model. The alternative model will focus on organizations instead of a predetermined list of innovations, and it will stress the importance of contacts with outside actors in inducing organizational innovation.
NOTES


2 For example, one year during the 1950s, the U.S. Senate took only two hours to debate the entire Department of Defense budget.

3 It should be pointed out also that an organization that has adopted numerous innovations recently is not necessarily a better organization than one that has adopted very few. The organization that has adopted many innovations may have done so only because its existing methods and goals were so hopelessly antiquated that it was losing most of its clientele. Likewise, an organization that has adopted very few may be performing to the satisfaction of everyone involved. Of course, no organization can continue indefinitely to perform satisfactorily without doing some innovating.

4 The rationale for selecting these three policy areas will be discussed in Chapter 2.

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Chapter 2

The Basics of the Research

Taking a new step, uttering a new word is what people fear most.
Fyodor Dostoyevsky

It is the job of this chapter to present the basics of the study. Accordingly, Chapter 2 will discuss types of innovation, actors, hypotheses, policy areas and the research model to be utilized.

Perhaps above all else, it can be said of innovation that it is a multi-faceted phenomenon. This chapter will sketch out the important facets to be examined in the dissertation. To be examined are: the roles of various actors in different types of innovation; the preferences of various actors for participation in one type of innovation over another type; the relationship between fiscal participation in a program and contacts with the organization; the relationship between fiscal participation in a program and involvement in the
process of innovation; and the relationship between frequency of contacts with the organization by an outside actor and involvement by that outside actor in the process of innovation.

Fifteen hypotheses will serve as vehicles to examine these different facets of innovation. However, before discussing those hypotheses, or the research model that made testing them possible, first, a brief discussion of types of innovation and the groups of political actors to be studied is in order.

Innovation: Just How Many Kinds And Who Are The Actors?

Innovation will be divided into two types: intra-organizational and extra-organizational. Intra-organizational innovation refers to "in-house" innovations. The attention here is on innovations in deployment of personnel, record keeping methods, internal accountability procedures, innovations that save money or time, and so on.

Extra-organizational innovation keys upon changes that the organization's clientele groups would be most interested in. Innovations that result
in new or improved services for clientele groups will be examined. Innovations that give clientele groups some say or some more say in the organization's decision-making process will also be studied. Finally, innovations that lead the organization to restructure its goals will be examined.

Both of these types will be divided into three sub-categories: incremental, programmatic and structural/fundamental. Incremental innovations are those of a minor nature. While a large number of them over a long period of time might drastically change an organization (Lindblom:1965), taken one at a time, incremental innovations effectuate only small changes in the organization.

Programmatic innovations are those which make major changes in the methods or goals of one of the programs of the organization while leaving virtually undisturbed all the other programs of the organization. By contrast, structural/fundamental innovations affect virtually all programs of the organization in a substantial or non-incremental manner.

The roles played in the process of innovation by six groups of political actors will be examined.
The six are: the organization's staff, federal officials, state officials, local officials outside the organization under study, clientele groups and professional associations.

Political actors were selected on the basis of their likelihood of involvement in the process of innovation. The organization's staff was included since it is vital to see how active the staff is in comparison with outside actors. As discussed in Chapter 1, the literature assumes the staff is most crucial to innovation. The dissertation will see just how important the staff is in the process of innovation.

The intergovernmental relations literature suggests that in grant-in-aid programs governmental officials outside the local organization play important roles (D. Elazar, et al.: 1969) (Grodzins: 1966). To cover all the bases in reference to intergovernmental relations, the involvement of federal officials, state officials and local officials outside the organizations under study will be examined.

The last two political actors selected are clientele groups and professional associations. Clientele groups have a vested interest in influencing
the behavior of the organization, and hence may participate in the process of innovation. Professional associations may involve themselves out of a desire to improve and professionalize the field of endeavor.

Hypotheses: What's Obvious May Not Be
And I Won't Keep Score But
You Might Want To

The hypotheses will be given in this chapter and analyzed in Chapters 3, 4, and 5. The form of all the hypotheses is the same. What is, all have been stated in obvious terms, using the most common-sense wording possible. The direction of prediction for each is also obvious or common-sense based. Thus, some hypotheses may appear almost tautological.

Nonetheless, many of the hypotheses will not be confirmed, or will be confirmed only with very heavy qualification. This, of course, will illustrate that what appears to be obviously true may be proven false by empirical investigation. The reader may find it stimulating to make notes as to which hypotheses he or she thinks "are obviously true"
and will "definitely be confirmed." The reader will probably find that some of the hypotheses that looked oh-so-obviously-true in Chapter 2 will not be confirmed in Chapters 3, 4 or 5.

However, in the text of the study, no running totals of confirmations versus disconfirmations will be kept. The hypotheses are merely devices to facilitate discussions of the many facets of innovation. Just as much can be learned from a disconfirmed hypothesis as from a confirmed hypothesis. In some cases, possibly even more can be learned.

Lastly, the hypotheses have been stated in obvious fashion because it is believed that there is a certain amount of intellectual charlatanism involved in rigging hypotheses so a high percentage of them just "happen" to be confirmed by the research. Such manipulation is cynical, and the dissertation will not insult the reader's intelligence by engaging in such trickery.

**Fifteen Hypotheses: Six Sets**

The fifteen hypotheses will be clustered into six sets. The first set will discuss actors and their involvement in different facets of intra-organizational innovation. The second set will
discuss actors and their involvement in different facets of extra-organizational innovation. The third set will discuss the actors and whether they participate more in intra-organizational innovation or in extra-organizational innovation. The fourth set will discuss the relationship between fiscal contribution by outside actors and their contacts with the organization.

The fifth set will discuss the relationship between fiscal contribution and involvement in the process of innovation. The sixth and last set will discuss the relationship between contacts with the organization and involvement in the process of innovation by actors outside the organization.

Intra-Organizational Innovation:

Which Actors Participate The Most?

Three facets of intra-organizational innovation will be examined. First, of course, is innovation itself. Next will be innovative proposals. These are suggestions for future innovations. They are innovations that are still on the agenda, under discussion, but have not yet been adopted. Last is innovation-prevention or blockage. This occurs when an outside actor stops the organization from
adoptioning an innovation it wants to adopt. These three facets of innovation will also be discussed in connection with extra-organizational innovation.

As for intra-organizational innovation, it is hypothesized that the organization's staff will be more active than any other political actor studied. This is hypothesized because the staff has the best working knowledge of the problems the organization encounters on a day-to-day basis as it tries to implement various programs. Also, since the staff must live with the in-house problems, it has a tremendous incentive to try to alleviate them. In essence, it is in the staff's vested interest to be active.

H1 The organization's staff will be the most active source of innovation in the area of intra-organizational innovation.

A somewhat different situation is hypothesized for innovative proposals. Here it is thought that federal and state officials may want to offer innovative proposals because they have made a financial commitment via the grant-in-aid route to the organizations under study. Professional associations may become involved out of a desire to improve the profession. Organization staff will
not be dormant, but they may find their proposals competing for attention with proposals from federal officials, state officials and professional associations. The actors in H2 are listed in a predicted descending order of involvement.

H2 In the area of intra-organizational innovation, federal officials, state officials, professional associations and the organization's staff will be the most active proponents of innovative proposals. Other local officials and clientele groups will be less active.

Concerning innovation-prevention or blockage, it is thought that the actors with the greatest resources will do the most blocking. Preventing the organization from doing something it wants to do is seldom easy. Actors with few resources may not be able to mount the effort necessary to fight and stop the organization. By contrast, actors with abundant resources may have the time, money, manpower, expertise and willingness to make such a fight. In this study, the actors with the greatest resources are federal officials and state officials. As with H2, actors are stated in a predicted descending order of involvement.
H3 Federal officials and state officials will be most active in preventing the organization from adopting the intra-organizational innovations it wants to adopt. Other local officials and clientele groups will be less active.

Extra-Organizational Innovation:

Who Dominates Matters Here?

It is hypothesized that the area of extra-organizational innovation will be dominated by clientele groups. This area is of direct concern to them. It deals with the quantity and quality of the services and benefits they receive, and their ability to participate in the decision-making process of the organization. Thus it is very much in their self-interest to participate as fully as possible. Accordingly, it is hypothesized that they will participate vigorously in the process of innovation and in innovation proposal.

H4 Clientele groups will be the most active source of innovation in the area of extra-organizational innovation.

H5 In the area of extra-organizational innovation, clientele groups will be the most active proponents of innovative proposals.

However, concerning innovation-prevention, clientele groups are expected to lag behind the other
actors. While they might wish to block innovations, clientele groups lack the degree of organization the other actors possess, as well as the resources. Thus it will be very difficult for them to engage in very much innovation-prevention. Unlike federal officials and state officials, for example, clientele groups cannot block innovations by threatening to cut off grant-in-aid funds. Again, actors are listed in predicted descending order.

Federal officials and state officials will be most active in preventing the organization from adopting the extra-organizational innovations it wants to adopt. Other local officials and clientele groups will be less active.

Actors and Types of Innovation:
Which Type Attracts Which Actors?

It is not expected that each actor will find each type of innovation equally worthy of its attention. Rather, it is hypothesized that different actors will be drawn to different types of innovation. It is hypothesized that clientele groups will be much more active in extra-organizational innovation than in the area of intra-organizational innovation. Clientele groups may have a highly limited interest in intra-organizational innovation because it does
not affect them as directly as does extra-organizational innovation. Also, clientele groups are not backed by tax dollars. Hence they have less money to work with than do most if not all of the other actors. Accordingly, it is argued that they will concentrate their limited resources on extra-organizational matters, because that area offers them the greatest potential return for their investment of time and money.

H7 Clientele groups will be more active in the area of extra-organizational innovation than in the area of intra-organizational innovation.

The preference for extra-organizational innovation may not be shared by the other actors. Extra-organizational innovation may involve taking risks that other actors in the study may not be eager to take. Extra-organizational innovation, since it affects tens of thousands of recipients in every urban area, naturally attracts lots of public attention. Unsuccessful extra-organizational innovations, consequently, generate public comment and criticism. Since no agency dependent upon public funds can afford too much public criticism, it is thought that actors other than clientele groups
will be more active in intra-organizational innovation than in extra-organizational innovation. Intra-organizational innovation attracts less public attention, and, if unsuccessful, is easier to drop quietly. In short, it is safer.

Federal officials, state officials, professional associations, the organization's staff and other local officials will be more active in the area of intra-organizational innovation than in the area of extra-organizational innovation.

Fiscal Participation and Frequency of Contacts: Do They Go Hand in Hand?

Grant-in-aid programs tend to be very costly. Most of them service millions of clients across the country. Thus costs easily run into the billions every fiscal year.

With so much money being transferred from one level of government to another, it is reasonable to assume that the grantor government would want to keep tabs on how the grantee government is spending the transferred funds.

Moreover, it is assumed that the grantor will become more and more interested in how the grantee is spending the money as the size of the fiscal
contribution grows. In particular, it is hypothesized that as the level of fiscal support grows, the frequency of contacts will increase.

No difference between federal and state officials in this regard is expected. It is assumed that both will behave the same: Both will want to protect their investment by increasing contacts with the local organization as the level of fiscal contribution rises.

H9 The greater the percentage of fiscal costs absorbed by a level of government, the more frequent will be its contacts with the organization.

Fiscal Participation and Innovation:
If I Give You Money, Do I Get To Tell You What To Change?

Thus it is hypothesized that contacts will increase as fiscal participation increases. But what about participation in innovation? Will that increase as fiscal participation increases? It seems most probable that it will. If federal and state officials fund a program more and more heavily, they are increasing their responsibility for the program. If the fiscal commitment is very
heavy, and the program succeeds, a great deal of
credit will accrue to federal and state officials.
Likewise, if the program fails, a great deal of
blame will be placed upon them.

Accordingly, as fiscal contribution increases,
federal and state officials have every reason to
do all they can to ensure program success. It is
logical to assume, then, that as fiscal contribution
increases, federal and state officials will increase
their participation in the process of innovation.
They will do so in order to increase the efficiency
of the local organization which is running the
program. They will also do so in order to increase
the chances that the local organization will execute
its programs according to law and in a manner calculated
to reach the program's goals.

Thus, it is argued that when fiscal participation
increases, federal and state officials will
increasingly: 1) coax or coerce the local organization
into adopting innovations; 2) make innovative
proposals and 3) block innovations the organization
wants to adopt. In sum, a small fiscal contribution
will lead to slight participation in the process
of innovation by federal and state officials. A
larger fiscal contribution will lead to greater participation by them in the process of innovation.

H10 The greater the percentage of fiscal costs absorbed by a level of government, the more active it will be as a source of innovation.

H11 The greater the percentage of fiscal costs absorbed by a level of government, the more active it will be as a proponent of innovative proposals.

H12 The greater the percentage of fiscal costs absorbed by a level of government, the more active it will be in preventing the organization from adopting innovations the organization wants to adopt.

Contacts and Innovation: Must I See You Again and Again Before You'll Innovate?

The last set of hypotheses deals with the relationship between frequency of contacts with the organization by outside actors and innovation. A positive relationship is hypothesized. It is argued that coaxing an organization into adopting an innovation probably requires repeated contacts. The innovation must be explained in detail. Suggestions on how to implement it may be offered. Perhaps financial assistance should be extended as well if the innovation would require additional
staff or retraining of existing staff or would require the purchase of new equipment. Lastly, if the innovation is controversial, outside actors may have to offer political support.

By contrast, coerding an organization into adopting an innovation may require fewer contacts, at least for federal and state officials. Since they often perform routine audits on the local organization's books, the organization knows that non-compliance will be discovered sooner or later, and that discovery of non-compliance could have most unpleasant consequences for the organization. Accordingly, there may be a tendency for coercive innovations generated by state and federal officials to require fewer contacts.

However, coercive innovations by outside actors other than state and federal officials may require repeated contacts. Other actors generally lack the power of the purse. Hence they may need to make repeated follow-up contacts to be sure the organization really is adopting and implementing the innovation. For all these reasons, a positive relationship between frequency of contacts and innovation is hypothesized.
H13 The more active the outside actor is as a source of innovation, the more frequent will be its contacts with the organization.

H14 The more active the outside actor is as a proponent of innovative proposals, the more frequent will be its contacts with the organization.

H15 The more active the outside actor is in preventing the organization from adopting innovations the organization wants to adopt, the more frequent will be its contacts with the organization.

Policy Areas For The Study

Of course, all of these hypotheses must be made operative in certain policy areas. They cannot be tested in the abstract. Accordingly, three policy areas have been selected: vocational education, relocation in urban redevelopment and income maintenance in public welfare.

Vocational education includes a large number of job-training programs conducted in high schools for juniors and seniors. Relocation involves moving and compensating for the move individuals and businesses displaced by urban redevelopment projects. In recent years, relocation offices have become centralized offices, often handling all the government-related relocation that occurs in the county (Groberg: 1969). Thus, for example, if a school board displaces persons or businesses
in order to build a new high school, it is likely that a centralized relocation bureau, acting under contract with the school board, will move the displaceds.

In welfare, the income maintenance division of the local county welfare department handles Aid for Dependent Children, the Food Stamp Program and General Relief. General Relief is a program funded by the state government and the county government. It is for indigent individuals not eligible for aid under any federally funded program. Possibly because of the cost, General Relief is not popular with county commissioners. Cuyahoga County (Cleveland) tried a few years ago to reduce the program, but was blocked by the state government from doing so. Summit County (Akron) is currently trying to eliminate the program (Cincinnati Enquirer: 1976). Whether the Summit County effort will be successful remains to be seen.

These three policy areas were selected for several reasons. First, they are of intrinsic importance to society and to their recipients. Directly or indirectly, each program affects the lives of a very large fraction of American society.
Success in each of the three policy areas tends to enhance the quality of life for the recipients and for the general public. Likewise, failure hurts the recipients, and, indirectly, the society as a whole. Poorly done relocation, for example, can result in a slum simply being moved to a different part of town. When this happens, the displacees suffer, and the community as a whole is no better off than it was before the displacees were relocated (Cahn, et. al.: 1970) (GAO: 1964).

Second, each policy area selected contains large programs. Small programs, while possibly interesting, may not be widespread enough to justify a study, or may be so responsive to local conditions that comparison from city to city would be difficult. Also, small programs might not have as much intrinsic importance as a larger program.

The final reason for the selection of the policy areas chosen was that all are established, on-going programs. Vocational education has existed for several generations. Relocation has been an integral if sometimes poorly executed part of urban redevelopment at least since the passage of
the 1949 federal Housing Act (Stamm: 1971). In welfare, the Aid For Dependent Children Program began during the Depression of the 1930s (Cummings and Wise: 1974: 558). It is believed that General Relief is at least as old. The Food Stamp Program, while the newest, still got started back in the mid-1960s (Kotz in Woll: 1975: 469-470).

New programs were deliberately avoided. For the sake of comparability, only two selections were possible: study only new programs, or study only established, on-going programs. Mixing the two types would lead to confusing results. New programs face start-up problems which may not be directly comparable to the problems faced by older programs (Downs: 1967). Thus the two could not be mixed.

The choice was made, then, for studying established, on-going programs. These programs have built up a large reservoir of routine decisions. Thus an innovative decision must, to a certain extent, displace or modify existing methods or goals. Hence it is relatively easy to distinguish between routine decisions and innovative decisions.
By contrast, in a new program it is not relatively easy to distinguish between routine decisions and innovative ones. Since the program is new, there are no established methods or goals. To overstate the situation a bit, in effect, there are no routine decisions. In effect, every decision is an innovative one. This blurring of the difference between routine decisions and innovative decisions makes a new program a less desirable subject for a study of innovation. Consequently, the focus will be on established, on-going programs.

Research Design:
Would A Mail Survey Get The Job Done?

The decision was made to gather original data to test the fifteen hypotheses. Since the literature is so inwardly directed, it was felt that existing data sets would not be suitable for a study such as this one that seeks to learn just how big a role outside actors play in the process of innovation. Also, as discussed in chapter one, many studies deal with private corporations or individuals, such as farmers, and the rates at which they adopted a single innovation. Accordingly, the vast bulk of existing research is simply not appropriate for
attempting to answer the questions this study raises. Thus the decision was made to conduct original research.

A mass-mailing technique was first considered. Questionnaires were to be mailed to local program administrators in the states of Ohio, Indiana, Michigan, Wisconsin, Illinois and Minnesota. These states were selected because they formed an area large enough to prevent idiosyncracies from looming too prominently, but small enough to be financially manageable. Local officials were selected to be the respondents because they would be in the best position to indicate which innovations were staff generated and which came from outside political actors.

The proposed questionnaire was to be highly structured. No open-ended questions were planned. A central section was to ask administrators to rank political actors as sources of innovations.

This approach offered some advantages. Since the respondents would be selected randomly from master lists, applying sophisticated quantitative techniques to the data would be possible. Also, since all questions were closed-ended, coding problems
would be fairly minimal. Thus, the data generated would be relatively hard data.

However, a number of problems arose. Although more than one questionnaire was designed, lingering doubts remained that the data necessary to test the fifteen hypotheses could be gleaned from a mail survey. Closed-ended questions did not permit respondents to indicate what innovations had actually been adopted. Also, the stress on ranking actors as sources of innovation gave respondents the option of ranking actors even though the organization may not have been doing any innovating in the area at all.

Since the questionnaire was already fairly lengthy and fairly time-consuming, adding open-ended questions was judged not advisable. It was thought that adding open-ended questions would make filling out the questionnaire too time-consuming, and administrators might file the questionnaires in the nearest waste basket.

The biggest problem of all, though, was that a mail survey lacked richness of response. Even open-ended questions probably would not elicit very detailed answers. Yet, at this stage of the
organizational innovation literature, detailed answers are exactly what is needed. Very, very little is known about the roles played by actors outside the organization in the process of innovation. Through rich responses we can add to our knowledge about what outside actors do and do not do in the process of innovation. A mail survey, though, did not hold out the promise of eliciting such answers. Because it did not, and because of the other problems connected with a mail survey, it was decided not to use this method of gathering data. Personal interviewing was adopted as an alternative technique.

Research Design: Personal Interviewing Will Work Better

Personal interviewing made possible the extensive use of open-ended questions. Also, with such interviewing, it was possible to probe. If a respondent said something that was unclear, or if he or she said something that sounded worth exploring, follow-up questions were possible. Probing beyond original answers, is, of course, impossible in a mail survey. Thus using the personal interviewing technique resulted in responses far
richer than those that would have been gotten otherwise.

Since the stress will be on rich responses, the study will be less structured and more qualitative than some previous innovation studies. As Everett Rogers argued:

Needed immediately are a series of relatively less-structured and more qualitative probes designed mainly to identify promising concepts. . . . (1975: 8)

One of the "promising concepts" Rogers wanted to see explored is that of "external accountability," which he defined as "the degree to which an organization is dependent on, or responsible to, its environment." (1975: 1, 22) The relationship of an organization to the relevant political actors in its environment is, of course, at the very heart of the dissertation.

Rogers also urged a shift away from the traditional emphasis, which borders on obsession, on the decision to adopt an innovation. Instead, he argued that we should pay "... more attention to continued use or discontinuance, to implementation, and even to rejection." (1975: 16, 11-13, emphasis in text) By keying or organizations instead of a fixed list of predetermined innovations, the dissertation will be paying attention to continued
or discontinued use of innovations, their implementation and even rejection.

In each policy area, the interviewees were either the administrators in charge of the programs or their top administrative assistants. Interviews were conducted in Cincinnati, Dayton, Columbus, Cleveland and Akron. These five cities were selected because all are major urban centers, and all have large, on-going programs in each policy area selected.

The pretest was conducted in Cincinnati at the Urban Redevelopment Department of the City of Cincinnati. After the pretest, a number of changes were made in the interview schedule. The revised schedule proved quite satisfactory, and no further changes were deemed necessary.

Before the pretest, it was thought that multiple interviews at each organization would be necessary. However, the pretest indicated that more than one interview at an organization was not fruitful. Repeated interviewing simply showed no signs of turning up additional information.

Several other reasons can be cited for the lack of need for multiple interviewing. First, all the organizations studied were relatively small in terms of
numbers of employees. For example, the smallest organization studied was a relocation bureau that consisted of a bureau supervisor and five subordinates. The median-sized organization in the study consisted of approximately fifty to sixty employees. Thus, the organizations were small enough that top administrators knew what was happening in various sections of the organization.

Second, interviewees were quick to consult staff members if they did not know the answer to a question. Some interviewees asked others to sit in on the interview and to help answer the questions. Some interviewees telephoned subordinates in different parts of the building to verify answers or to elicit information. Also, several interviewees referred to written records, reports and evaluations to verify their answers. Thus the interviews were one-person interviews only in a very narrow sense.

Third, the interviewees were refreshingly candid. For example, at two of the interviews, as the interviewer was walking in the room and sitting down, the administrator said, "Well, I'll help you as much as I can, but I have to tell you right off we're not doing much innovating." One of the two even laughed and added, "We're doing
things pretty much the same as we have for the last twenty years." Amazing as these quotations seem, they are merely somewhat more dramatic examples of the frankness displayed by all interviewees. Administrators spoke openly and honestly about their organizations, limitations and all.  

Lastly, top administrators and their assistants are the ones in the organization who have the most contacts with outside actors. Outside actors tend to communicate with the highest level personnel far more frequently than they do with lower level personnel. Thus, while it would have been possible to interview lower level personnel, to do so would be to interview people who have only highly limited contacts with outside actors. As such, their knowledge of what outside actors were or had suggested or mandated would be very incomplete. Thus, for all these reasons, multiple interviewing did not appear to be essential or even particularly desirable.

In all, fifteen interviews, one at each organization, were conducted. The shortest interview lasted thirty-eight minutes, while the longest ran two hours and forty-five minutes. The median time was an hour and ten minutes.
Each interview consisted of twenty-seven open-ended questions, plus a table that asked the administrator to estimate the frequency of contact with the outside actors discussed earlier. Written notes were taken during the interview. Immediately after the interview, those notes were gone over and checked for clarity and accuracy. All administrators were told in advance, in writing, that the interest of the research was in aggregate data, and that all responses would be held in confidence.

The fifteen hypotheses are to be confirmed or disconfirmed for the organizations studied. No further applicability is in order.

Statistics:

What's To Be Used?

The study will make use of two correlation statistics: the Pearson product moment correlation (Pearson's r) and the Spearman rank correlation coefficient (Spearman's r). The Pearson's r will be used in the testing of hypotheses 9-15. The Spearman's r will be used in the testing of hypotheses 2, 3 and 6.
The Pearson's $r$ is designed to measure the degree of correspondence or relationship between two variables. Put another way, it measures the concomitant variation of two correlated variables. It is a commonly used statistic, and its value ranges from a low of -1.00 to a high of 1.00. It assumes a linear relationship between the variables (Roscoe: 1969: 71-74) (Blalock: 1960: 286-7).

Like all statistics, the Pearson's $r$ must be interpreted with care. As Roscoe argued:

Occasionally, one reads that correlation coefficients on the order of .30 to .70 suggest a moderate relationship, while coefficients less than these indicate a low relationship and coefficients larger than these a high relationship. This is a fallacious argument in statistical inference, since the significance of a correlation coefficient is a function of sample size. It is also a fallacious argument in descriptive statistics, since the nature of the group and variables being studied plus the use to which the coefficient is to be put will determine whether a particular coefficient is large or small. For example, a correlation of .70 between scholastic aptitude as measured in the first grade and grade point average in college would be phenomenal. However, a coefficient of .70 between two supposedly equivalent forms of an achievement test would be so low as to suggest major revision is in order (1969: 78-9).

The Spearman's $r$ is an adaption of the Pearson's $r$ (Roscoe: 1969: 82). Like Pearson's $r$, its values range from -1.00 to 1.00. It can be used to
correlate two ordinal scales (Blalock: 1960: 317).
For this study, the Spearman's r will be used in connection with those hypotheses that make predictions about the rankings of various actors in frequency of participation in some form of innovation behavior. The Spearman's r will be used to measure the correlation between the predicted rankings in hypotheses 2, 3 and 6, and the actual rankings in each of those areas that emerges from the data.

The Spearman's r can be thrown off by a large number of tie scores, that is, if many of the actors have precisely the same quantity of a continuously distributed trait (Roscoe: 1969: 84) (Blalock: 1960: 318). Fortunately, in hypotheses 2, 3 and 6, very, very few actors ended up with the same number of innovative actions, and thus there were very, very few ties. Hence there was little distorting effect on the Spearman's rs that were calculated.

Summary

In the dissertation, innovation will be divided into two types: intra-organizational and extra-organizational. Intra-organizational innovation refers to "in-house" innovations. Extra-organizational
innovation keys upon changes that the organization's clientele groups would be most interested in. Both these types will be divided into three sub-categories: incremental, programmatic, and structural/fundamental.

The roles played in the process of innovation by six groups of actors will be examined. The six are: the organization's staff, federal officials, state officials, local officials outside the organizations under study, clientele groups and professional associations.

Fifteen hypotheses will be examined in the study. The hypotheses deal with such aspects of innovation as participation in: 1) intra-organizational innovation 2) extra-organizational innovation 3) in innovation proposal and 4) in innovation-prevention. The hypotheses also deal with correlations between 1) fiscal costs and contacts with the organization 2) fiscal costs and innovation and 3) frequency of contacts and innovation. Hypotheses will also examine the actors' preferences for each type of innovation. The hypotheses have been set up on a common-sense basis, and hence some have a tautological appearance that may be more appearance than reality.
The study focuses on three policy areas: vocational education, relocation in urban redevelopment and income maintenance in public welfare. Personal interviews were conducted with administrators running programs in these policy areas. Interviews were conducted in Cincinnati, Dayton, Columbus, Akron and Cleveland. Personal interviewing was selected as a research technique partially because of the richness of response that it offers. Conclusions to be drawn apply to the fifteen organizations under study. Conclusions should not be extended further.

Two statistics will be used in the study: Pearson's $r$ and Spearman's $r$. Both are widely used statistics, and both are well suited for use in testing various hypotheses in this study.
NOTES

1 Actors with the greatest resources are, of course, often in a good position to threaten to cut off funds. This is a threat other actors with lesser resources either cannot make or cannot usually make as credible. Professional associations have been deleted from innovation-prevention hypotheses because it is felt that they would not be in a position to engage in such behavior. The interviews confirmed this point.

2 Among the professional associations, at least one, the National Association of Housing and Redevelopment Officials (NAHRO), receives substantial federal funding.

3 On the inability to build upon existing research, Downs and Mohr wrote, "We conclude that in spite of the large amount of energy expended, the results have not been cumulative." (in "Conceptual Issues in the Study of Innovation," p. 3. See Chapter One References for full citation.)

4 This is the third time I have interviewed administrators for a major paper, and, each time, the same high level of candor, knowledge and cooperation was extended. See Chapter Seven for further discussion.

5 Controls will not be applied. Controls, of course, can raise or lower the size of the r. However, in this study, the lack of controls may be a very minor matter indeed. Variables that one might want to control for, such as age of organization or degree of professionalism in hiring and promotion, were virtually uniform across the organizations studied. Thus the most interesting potential control variables were closer to being constants than variables.
REFERENCES


Charles N. Stamm. Interview. May 28, 1971, for M. A. thesis on relocation in urban redevelopment, at University of Cincinnati. Mr. Stamm was director of urban renewal for Cincinnati from 1950-1965.
Chapter 3

Intra-Organizational Innovation:

What's Going On Inside The Organization?

Offhand one would expect that the mere possession of power would automatically result in a cocky attitude toward the world and a receptivity to change. But it is not always so. The powerful can be as timid as the weak.

Eric Hoffer

That problems exist in the three policy areas is beyond dispute. A General Accounting Office (GAO) survey of vocational education programs across the country indicated that thousands of school children are being trained for jobs that do not exist (GAO: 1974: 68-89). A federal study of welfare released in March 1972 indicated that incorrect payments were being made at a stunningly high rate. Both underpayment and overpayment were common. In some counties, 33%, 42%, 35% and 50% of the recipients whose cases were reviewed by federal auditors were found to have received incorrect payments (GAO: 1972: 18).
A recent study done by the Ohio Department of Public Welfare indicated that despite intensive efforts in 1975 to improve payment procedures, at least one out of every ten ADC recipients in Ohio is still drawing payments he or she is not entitled to (Wilson: 1975). HEW estimates made in December 1975 suggested that, on a nationwide basis, mistakes were made in 26.7% of all needy family cases, including 6.4% ineligible, 14.7% overpaid and 5.6% underpaid (Flora and Bunting: 1976). Perhaps the worst problem with welfare, though, is that it does little to help the individual out of his or her plight (City: 1971: 20-25).

While relocation has improved immensely in the past few years, problems exist concerning the differential in benefits available to homeowners as opposed to renters. Other problems center on displacees who may not get a dime because their displacement was not accompanied by property acquisition, or did not involve public agencies, or occurred under a program not assisted by a grant, loan or federal contribution (Schorr: 1975: 92-101) (Abramowitz: 1972: 281). Perennial problems in relocation include finding the displacees, offering
them the proper benefits and speeding up the time between initial contact and payment of displacement compensation (Mao: 1965) (Tondro: 1968) (Tooby: 1969) (Mermin: 1970).

The fact that all these problems exist suggests two obvious points: 1) present methods and goals are not doing all they could to handle the problems they must deal with; 2) present methods and goals need improvement. Thus the need for innovation arises.

Admittedly, one could argue that perhaps we should do little or nothing. After all, some problems do go away on their own (Banfield: 1970). Perhaps, though, this is too much to hope for on a consistent basis. Perhaps, also, too much needless suffering will go unrelieved if we choose to do nothing.

Accordingly, if we wish to alleviate the problems just discussed, we should consider innovating. One might even be able to make the case that, since problems are continuous, an organization must innovate continuously if it is to stay one jump ahead of its problems.
Innovation: Not Quite Impossible, But . . .

Unfortunately, the data to be presented in this chapter suggests that intra-organizational innovation is not very easily achieved. Obstacles abound, and most administrators often find themselves blocked by powerful forces.

Such was not always the case. Sixty years ago, a Frederick Taylor could rip apart an organization and put it back together as he saw fit (Taylor in Pugh: 1973). Today's administrator, though, has no such free hand. In the hiring and promotion of employees the administrator must follow civil service regulations. Often the administrator must also hire in accordance with state personnel board rulings. If the administrator's department receives federal funding, there may be federal guidelines as well. In the deployment of personnel, the administrator may find his or her options severely limited by employee unions. All in all, the administrator, unlike Frederick Taylor, has very little room to maneuver-- or innovate.

The obstacles to intra-organizational innovation exist for outside actors as well as for the organization's administrators. Federal officials,
for example, may find that employee unions resist their proposals just as much as they resist the proposals made by their organization's administrators. Intra-organizational innovation, viewed from almost any perspective, is simply very hard to accomplish. The nature of the obstacles will be discussed further later in this chapter.

Perhaps because intra-organizational innovation is so difficult to achieve, the fifteen organizations surveyed have done relatively little of it. Eight of the fifteen reported adoption of none or only one innovation.

Table 3.1

<table>
<thead>
<tr>
<th>Innovations Adopted:</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
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<tbody>
<tr>
<td>Organizations:</td>
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<td>4</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

Sources of Innovation

It would be inaccurate, though, to paint too bleak a picture. Thirty-three innovations were adopted, and they came from a variety of sources. Concerning the sources of innovation, hypothesis #1
predicted:

H1 The organization's staff will be the most active source of innovation in the area of intra-organizational innovation.

The findings confirmed the hypothesis. The breakdown on the sources of intra-organizational innovation is as follows:

Table 3.2

<table>
<thead>
<tr>
<th>Source of Innovation</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization's staff</td>
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</tr>
<tr>
<td>State officials</td>
<td>5</td>
</tr>
<tr>
<td>Professional associations</td>
<td>3</td>
</tr>
<tr>
<td>Federal officials</td>
<td>2</td>
</tr>
<tr>
<td>Clientele groups</td>
<td>1</td>
</tr>
<tr>
<td>Other local officials</td>
<td>0</td>
</tr>
</tbody>
</table>

\[
\frac{33}{33}
\]

Most of the intra-organizational innovations tended to be either incremental or programmatic in nature. A look at each policy area will indicate what innovations are occurring where.

WELFARE. Welfare programs are, of course, intended to fulfill the governmental function of redistribution of income. Many of the innovations assisted this function by centering around procedures to process and evaluate claims for a share of the income to
Welfare staffs were the most active generators of innovations. They were the source of 13 innovations. This is more than any other actor in welfare generated, and it is more than the staffs in the other policy areas generated for their respective policy areas. All of the 13 innovations were incremental or programmatic in nature.

State officials also participated, but only in a highly limited fashion. It is only a slight exaggeration to say that if welfare organization staffs had not been active, little intra-organizational innovation in welfare would have occurred.

Staffs of county welfare departments must handle almost crushing case loads. In a metropolitan county, a welfare department may handle well over 100,000 cases a year. To shoulder such a burden is a constant struggle. In order to redistribute income properly, welfare workers must determine the claimant's eligibility and then authorize a payment that is in keeping with the payment schedules set down in department guidelines and in the law. Faced with so many cases to handle, though, the process can break down into an almost
chaotic situation.

To stave off the chaos-- and in some cases that is about all that can be done-- almost all of the welfare organizations surveyed have reorganized their staffs. Along with staff reorganization, many have revised their systems of handling claimants' applications. One organization took many workers off General Relief cases, where applicants were few in number, and transferred all but a handful of the workers to ADC cases, where the load was enormous.

One department alphabetized the handling of their recipients. It had assigned cases on a geographical basis. Thus, if a recipient moved, he or she was assigned a new case worker. By contrast, in an alphabetical system, each case worker is assigned a part of the alphabet and deals with all recipients whose last names fall into the letters assigned. Thus, even if an individual moves from one part of town to another, he or she still deals with the same case worker. This system should enable the workers and the recipients to get to know one another a bit better, which may facilitate eligibility and payment determinations.
The alphabetical system did not work well for everyone, however. One department had so many problems with it that the department dropped it and went to a geographical system. This illustrates a point made by Everett Rogers: Innovations are seldom desirable in all situations. He argued:

... (H)ybrid corn was a highly profitable innovation for farmers. But many innovations do not have such a universal usefulness, and such innovations may be appropriate for adoption only by some individuals, and by some organizations. Methadone maintenance and dail-a-ride and mace are not in the same league of relative advantage as hybrid corn (1975: 15) (emphasis in text).

Other staff-generated innovations include more specialization of employees, and assignment one day a month of supervisors and the deputy director for income maintenance to line jobs such as interviewing applicants. Greater specialization, which would probably lower the error rate on determining eligibility and payments, is being hampered by a lack of physical space. The assignment of administrators to line jobs once a month seems to be working in that it reminds administrators of the problems faced by staff workers and applicants.
In contrast to the activity of the staff, state officials' interest in intra-organizational innovation was more limited. They mandated desk reviews, that is, reviews of applicants' files to redetermine their eligibility and the correctness of the payments they were receiving.

Since each welfare office surveyed had thousands of recipients, a desk review required wading through thousands upon thousands of files. Other than mandating a statewide desk review, though, state officials took little interest in intra-organizational innovation in welfare.

RELOCATION. Relocation is a part of urban redevelopment. Redevelopment is intended to fulfill the governmental function of dealing with an external cost not taken care of by producers or consumers in their day-to-day operations.

Government involvement in redevelopment and relocation is the result of a long historical process. By 1920, for the first time in the country's history, more than half of the population lived in towns or cities (Redford, et. al.: 1965: 34). The depression accelerated the trend by bringing destitute farm
boys into towns seeking work. World War II swelled the number of rural emigrants with its lure of plentiful jobs in war materiel factories.

Unfortunately, in the depression era, money was scarce and few homeowners or landlords could afford extensive maintenance. During the war, money was plentiful, but repair materials went first to the war effort. To inadvertently compound the problem, the federal government built near factories numerous temporary, slapdash tarpaper homes for rural emigrants. These began deteriorating almost before they were completed (Fenstermacher: 1971).

Thus, when the war ended, most American cities contained massive blocs of substandard housing. With the Housing Act of 1949, the federal government decided to deal with this problem. The problem was not being dealt with by producers and consumers in their day-to-day interactions, and perhaps could not be. Thus urban redevelopment and relocation became governmental programs.

Relocation is difficult under the very best of conditions. Even when relocation staffs are well-trained, well-funded and are concerned with the well-being of the displacees, relocation is still
not easy. Sometimes the displacees themselves can be a problem. As one relocation administrator put it:

Did you ever see that tv show "Hot'l Baltimore?" (Pointing) The hotel across the street was just like that show. We had a little bit of everything in there. There was a family with small children. There were a couple of prostitutes. One guy was a drug addict.

One day one of our relocation officers came back from there all shook up. We sent him over to interview a man who lived alone. The guy propositioned our relocation officer. Then there was another man. No one ever figured out what he did for a living. A lot of these people are not easy to move. Frankly, some of them don't make the best tenants, and a lot of landlords don't want them.

Relocating businesses may not be simple either. A neighborhood business that moves obviously loses most of the customers who lived immediately around the store. For some small businesses, such as pharmacies, the loss may be catastrophic. Moving such a business to a location where it can compete successfully with the businesses already there is not easy. Other problems exist as well. As one administrator noted:

We have to be flexible. We have to move all kinds of businesses. Once we moved a junk yard. (Interviewer: How do you move a junk yard?) It's not easy. We had to find a vacant lot that was big enough for all the stuff. We had to be sure the zoning of the lot would
permit someone to operate a junk yard there. Then we had to move all the stuff. That was expensive. Really expensive. Some of the stuff was so heavy we had to rent special equipment to haul it away.

Coping with these problems, and the ones discussed at the beginning of the chapter, requires ingenuity and innovation. However, the interviews indicated that applications of ingenuity and innovation in intra-organizational settings was tremendously spotty. Some relocation offices seemed to be quite dormant, while others took the idea of intra-organizational innovation quite seriously.

Where there was innovation, it was largely staff-generated. Federal and state officials participated but only to a minor extent.

Along the lines of a governmental organization providing services not handled by producers and consumers in their day-to-day interaction, one relocation bureau observed that displacees often had problems other than the fact that they had to find new homes. The organization then worked out a plan to help the displacees as much as possible with as many problems as possible. Under the innovation, the displacee is first interviewed by a social services agency that functions as an
umbrella agency for all social service organizations in the county. In the interview, the displacee's problems are pinpointed, and the displacee is told where help for his or her problems is available. Often the individual is surprised to learn that any help is available. The relocation office is notified of the interview results, and places the displacee into one of three categories: 1) needs no aid 2) needs aid, but the relocation office can provide what is needed 3) needs outside help from social service agencies. Work with the displacee then proceeds based upon the categorization. Periodically, the relocation organization updates its listing of available social services. Moreover, it takes pains to see that each displacee is made aware of the wide range of programs that might be of help. One of the relocation office's administrators said proudly:

Our program is a model for social services in relocation. Other cities don't do this to the extent we do.

The idea of making sure the displacees are made aware of all options open to them was not confined to one relocation bureau. Another bureau,
perhaps offering fewer social services, devised a checklist form that its relocation officers have to follow when interviewing displacees. The form was devised in an effort to be sure that displacees know what assistance they will be getting, in what amounts, and for how long.
The checklist has another purpose as well. The man who designed it said, softly:

One thing I have to keep telling my relocation reps (i.e.-- representatives) is that this is not just another job. If you are to do this job right, you have to have some concern for the people you're moving. By making the reps use a checklist, I'm hoping to impress upon them just how much these people's lives are being affected by what we do here.

Measuring the success of such a form is, of course, very difficult. The same administrator had no problem, though, assessing the success of another innovation his organization had tried.

For a while, we ran an experimental training program for our relocation reps. We spent a lot of time on it, and brought in qualified people as teachers. It just didn't work out. We had to drop it and go back to the less formal training we had been doing. In a classroom, we just couldn't simulate the problems a rep faces out in the field.
One innovation mentioned by administrators in two separate organizations was the creation and maintenance of a housing referral system. This is a master list of rental units and homes for sale that would be within the financial reach of most displacees. Sooner or later, many, if not most, relocation bureaus adopt this particular innovation. Obviously, such a list greatly facilitates their ability to move displacees into suitable housing.

Surprisingly enough, though, for many years some relocation bureaus across the country operated without such master lists. As late as 1959, the city of Atlanta's relocation bureau had a list of available housing units that was based only upon information provided by the principle real estate dealers in the city. The bureau, which consisted of one secretary and one professional administrator, did not compile its own list. Spot checks later revealed that most of the units on the real estate dealers' list were substandard (Groborg: 1969: 127-8).

All in all, as with welfare, staffs generated the bulk of the innovations. Moreover, all of the innovations, except one, were incremental or programmatic. Federal officials suggested a massive internal
restructuring to one relocation bureau. The bureau adopted the suggestion. This was, however, the only structural/fundamental innovation in the relocation area.

By and large, in the organizations surveyed, intra-organizational innovation in relocation followed one of two patterns: 1) little or no innovating was occurring or 2) the organization adopted a number of largely incremental innovations generated by the staff. No other pattern appeared prevalent.

VOCATIONAL EDUCATION. Vocational education, and education in general, may be intended to fulfill one or more governmental functions. As Downs pointed out (1967: 132ff), education does involve some indivisible benefits. Thus it falls under the governmental function of providing indivisible benefits. Like other collective goods, which provide the indivisible benefits, education cannot be handled adequately by private markets. To be sure, many people could be educated if private markets handled all educational functions. However, many poor people could afford little or no education if it were
to be handled exclusively by private markets. Since a lack of education by a significant segment of society is not acceptable by today's standards, providing education has become a prime governmental function.

Education may also be thought of as an attempt by government to provide a large benefit that is external to the day-to-day operations of producers and consumers. This is especially true of vocational education programs. Vo-ed directors, at least the good ones, try to provide training for jobs that exist but for which few if any companies provide on-the-job training. Thus, in a very real sense, vocational education is intended to provide a larger external benefit not taken care of by producers and consumers in their day-to-day operations.

Intra-organizational innovations to help vo-ed organizations fulfill these functions were exceedingly scarce. In fact, four of the five vocational education organizations surveyed reported no intra-organizational innovations at all. The fifth organization reported just one: state officials had coerced them into changing the name of an experimental vo-ed school they had recently
established. No other intra-organizational innovations were reported.

The lack of interest by any actor in intra-organizational innovation in vocational education may be due to the comprehensive nature of state law regarding vocational education. The Ohio Revised Code specifies, for example, in great detail the qualifications a vocational education instructor must have before he or she is hired. It is believed that state law even fixes the maximum number of students that can be in any vocational education class. The number of class hours per week is also specified. Thus, there may be little left that is not pinned down by state law. Having little or no room in which to innovate, the actors concentrate their attention elsewhere. Hence intra-organizational innovations were scarce.

The intra-organizational innovations reported in the three policy areas are not to be belittled. Many were imaginative and were helpful to the organization's effort to fulfill its functions. A real problem, though, is that the innovations were so few in number. Thirty-three innovations were reported from fifteen organizations. That is barely
more than two per organization. Such a modest level of activity borders on stagnation. The possible causes of the stagnation will be examined at the end of the chapter.

Sources of innovative Proposals

Innovative proposals, like innovations, were not plentiful. Eleven of the fifteen organizations reported having seen none or only one innovative proposal.

Table 3.3

Innovations Adopted: 0 1 2 3 4
Organizations: 7 4 2 1 1

The interest in this area focused on two questions: "What innovations might we see in the future?" and "Who is promoting those innovations?"

Concerning the first question, the upcoming discussion will suggest that the proposals looming as possible future innovations tend to be quite significant.

Concerning the second question, it was hypothesized that:

H2 In the area of intra-organizational innovation, federal officials, state officials, professional associations and the organization's staff will be the most active proponents of innovative proposals. Other local officials and clientele groups will be less active.
As mentioned in Chapter 2, the actors are listed in predicted descending order of frequency of participation. The findings tended to confirm the hypothesis. The Spearman rank correlation coefficient ($r_s$) was high, $r_s = .76$. The proponents and the number of innovative proposals they offered is as follows:

Table 3.4

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
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<tbody>
<tr>
<td>State officials</td>
<td>7</td>
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<tr>
<td>Federal officials</td>
<td>4</td>
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<tr>
<td>Organization's staff</td>
<td>2</td>
</tr>
<tr>
<td>Professional associations</td>
<td>1</td>
</tr>
<tr>
<td>Clientele groups</td>
<td>1</td>
</tr>
<tr>
<td>Other local officials</td>
<td>(\frac{0}{15})</td>
</tr>
</tbody>
</table>

A brief look at each policy area will give an idea what innovative proposals are being promoted now and what may be the intra-organizational innovations of the future.

WELFARE. Proposals here tend to be programmatic in nature. They also tend not to bear directly on welfare's function of income redistribution.
Nonetheless, the proposals would significantly affect the operation of the departments if adopted.

Federal and state officials are promoting affirmative action plans in hiring and in promotion. Interestingly enough, one welfare department reported that the Ohio Civil Rights Commission has been urging it to set quotas for the hiring of women and blacks. Meanwhile, the U. S. Civil Service Commission has been telling the same welfare department that it cannot set quotas for the hiring of women and blacks.

Being caught between conflicting proposals is a difficult situation for a local administrator. Local organizations often receive funds from both federal and state sources. Thus it is wise to keep both relatively satisfied. In a situation like this one, though, to pacify both state and federal officials may require the skills of a diplomat.

Pursuing the point just a bit, it is accurate to say that, to a certain extent, the intergovernmental process in the United States resembles the process of negotiation that occurs in international relations.
As Martha Derthick observed:

The function of intergovernmental diplomacy in a federal system, like that of international diplomacy, is to facilitate communication and amicable relations between governments that are pretending to be equals by obscuring the question of whether one is more equal than the other. In the case of federal-state relations in the United States, that question is obscure in any event. . . . (1970: 210)

Perhaps related to the push for affirmative action hiring is an incremental innovation being pushed by a professional association in the welfare field. The association was urging its members to redesign the parts of application forms that relate to race. The association was urging the adoption of new and possibly less offensive ways to determine race on application forms. The association was also urging that a police record should not be an automatic bar for employment in a welfare department.

Elsewhere, state officials have been pushing the idea of dividing local welfare departments into social service units and income maintenance units. Most of the larger county welfare departments have already adopted this innovation, so the target group must be some or all of the welfare departments in the smaller counties.
RELOCATION. One relocation office reported that clientele groups were pushing for increased hiring of minority group members. The groups pressured not only the local organization, but appropriate federal officials as well. Federal officials agreed with the groups' complaints, at least to a certain extent, and have begun prodding the local organization to step up its equal opportunity hiring programs.

In this particular case, relatively weak political actors, clientele groups, sought the aid of relatively powerful actors, federal officials. This is, of course, a classic illustration of Schattschneider's hypothesis that in political contests, the weak and those who are not getting what they want seek to expand the arena of conflict by recruiting allies (1965).

None of the innovative proposals in relocation dealt directly with relocation's governmental function of handling a large cost external to the normal activities of producers and consumers in the marketplace.

VOCATIONAL EDUCATION. One vocational education organization reported that state officials were pushing for having every vo-ed teacher develop an overreaching
design for each course taught. The design must be much more elaborate than any set of lesson plans. The design must show in detail how the course promotes the goals of vocational education, and how it will help students find related employment. If properly implemented, this innovation could help vo-ed programs fulfill their governmental functions. Instructors are to be given two years to develop the overreaching design. If an instructor has not developed one in that time, he or she is to be fired. One administrator saw real problems.

Here's one design (handing it to interviewer). As you can see, it runs over forty pages, and it's single-spaced in many places. One of our instructors did it. He spent over fourteen months on it. Frankly, I'm afraid most of our vo-ed teachers don't have the college training necessary to compile one of these. We see to it that they get teacher training at a nearby university, but in most cases a college diploma is not necessary, and most don't have one. I don't know if all our men could put together one of those. I also don't know where they're going to find the time.

Another vo-ed administrator saw another, even more important, innovative proposal looming on the horizon.

State officials are demanding more and more proof of effectiveness. They're also demanding more and more justification for the costs of various programs. We're moving towards cost-benefit analysis. It's two or three years off,
but it's coming.

Cost-benefit analysis, or some sort of zero-base budgeting, of course, would be an innovation designed to increase the chances that vo-ed programs were fulfilling their intended functions.

All in all, innovative proposals tended to be few in number but significant in terms of potential impact. Whether the innovative proposals, if adopted, would improve the performance of the local organizations is, of course, something reasonable men could disagree over. Seemingly beyond dispute, though, is the fact that, if adopted, these proposals would change the local organizations in quite noticeable ways.

Blocking Innovation:
Who Gets In The Way?

The third aspect of intra-organizational innovation studied was the prevention or blockage of innovation by actors outside the organization. Innovation-prevention in intra-organizational behavior turned out to be an infrequent occurrence. Ten of the fifteen organizations reported having none of their innovations thwarted by outside actors.
Answers were sought to two questions: "What innovations were blocked?" and "Who blocked them?"

Concerning the second question, it was hypothesized that:

\( \text{H}_3 \) Federal officials and state officials will be most active in preventing the organization from adopting the intra-organizational innovations it wants to adopt. Other local officials and clientele groups will be less active.

As with hypothesis #2, the actors are stated in a predicted descending order of participation.

Six instances of innovation-prevention were reported. While these are too few cases to draw any conclusions with surety, the findings did not lend much support for hypothesis #3. The actors, and the number of innovations they blocked, are given in Table 3.6. The Spearman rank correlation coefficient (\( r_s \)) was only .30.
Table 3.6

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<tbody>
<tr>
<td>State officials</td>
<td>4</td>
</tr>
<tr>
<td>Other local officials</td>
<td>2</td>
</tr>
<tr>
<td>Federal officials</td>
<td>0</td>
</tr>
<tr>
<td>Clientele groups</td>
<td>0</td>
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While few in number, the cases of innovation-prevention are interesting and are worth a detailed examination.

WELFARE. Three instances of innovation-prevention were reported here. County commissioners prevented one welfare department from removing welfare supervisory personnel from unions. Just how the local welfare department thought it was going to be able to accomplish the removal is not clear.

Another welfare department reported that state officials refused to let it drop one family budget form and use another. The same department also wanted to move. State officials blocked it from doing so. Since this particular department was housed in a monstrously dilapidated building, their desire to move was easy enough to understand.
Even by the most forgiving of standards, the welfare building was an eyesore. A tire company recently put up a multi-million dollar office tower not too far from the welfare building. The contrast between the buildings was so strong that the tire company complained about the welfare building. When state officials blocked the welfare department from moving out, the county commissioners authorized the welfare department to paint colorful stripes on the side of the building facing the tire company's tower. The stripes ran the entire length of that side of the building, and reminded one of automobile racing stripes. The building, though, was still an eyesore.

RELOCATION. A few pages earlier, one relocation administrator was quoted to the effect that he designed a checklist of benefits for his relocation reps to use when discussing available benefits to displacees. He felt the checklist perhaps increased the sensitivity of his staff, and increased the chances they would remember to discuss all benefits with the displacees.
Another relocation office wanted their counselors to use checklists as well. State officials, however, insisted that long-hand notes be used instead. State officials argued that checklists lacked details, and, if details were lacking, benefits and procedures might be explained differently to different displacees. Since state officials were not shy about refusing to reimburse this relocation office for expenses when state mandates were not followed, the relocation office went to long-hand notes.

Whether long-hand notes or checklists help the organization more in its effort to fulfill its function of handling a large societal cost is not clear. Unless the long-hand notes are really extensive, though, the possibility of variations in explaining benefits and procedures still exists. At most, long-hand notes might reduce the variation somewhat.

One relocation office reported considerable problems with civil service. In the hiring and promotion of personnel, civil service loomed more as an obstacle than an aid. This opinion was shared to a certain extent by relocation administrators in other organizations.
education indicated fewer problems with civil service, possibly because unions and state laws play a bigger role in those two areas in determining hiring and promotion criteria.

Nonetheless, local civil service commissions were seen as innovation-preventers by some of the interviewees. To name just two bones of contention, battles were fought over requirements for different job levels, and over whether the organization had to pick the top scorer on the civil service exam or whether it could choose from the top three scorers. One administrator commented, rather grimly, about civil service:

After a while, people around here (in City Hall) learn how to use it for their own purpose. You have to learn how to get around it.

Another administrator in the same organization was even more critical.

I could hire people myself just as well as they (Civil Service Commission) do. Civil service is way too restrictive. Perhaps we should abolish it.

This particular relocation office wanted to do away with the bonus points on hiring and promotion exams given to veterans and those with long service
in the organization. The Civil Service Commission refused to allow the organization to waive either one. As one administrator complained:

Even for promotion, we have to give veterans bonus points on the exam. A veteran can get up to 20 percentage points on a 100 point test. With the bonus points, an individual can actually get, say, a score of 102, 103 or 104 on a 100-point exam.

The impact of civil service upon intra-organizational innovation will be discussed at length later on in the chapter.

VOCATIONAL EDUCATION. One vo-ed organization reported that state officials must approve any plans for new facilities, and that state officials had not agreed to some of the features the local organization wanted when it constructed new facilities. No other cases of intra-organizational innovation-prevention in vo-ed were reported.

All in all, reports of innovation-prevention were few. Why? The law of anticipated reactions may play a role here. Local officials deal with other political actors so frequently that they know fairly well what other actors will and will not tolerate. Thus few innovations get blocked because
local officials screen out ahead of time innovative proposals they feel certain outside actors will not acquiesce to.

Complementing and reinforcing this tendency to drop things because of potential opposition is the stress placed upon rule books and manuals by state and federal officials. Consciously or not, state and federal officials condition local officials to think about possible actions in terms of whether or not the actions are permissible under the regulations laid down in federal and state manuals of operation. Thus innovations that are outside the limits posed by the manuals may not be pursued by the local organization. One welfare official said:

No, they (federal officials) have never prevented us from adopting an idea we wanted to adopt. We try to work within their manual of regulations.

Another welfare administrator commented:

No, they (federal officials) have never blocked anything. We've always been bogged down by federal regulations. We spend so much time figuring out what their regulations mean that we don't have much time to come up with ideas of our own.
The situation in other policy areas may not be much different. In vocational education, state officials compile an extensive master plan for local officials to follow and then make a genuine effort to see that the plan is followed. One vo-ed administrator said:

The state has a master plan. If your proposal is not already in the master plan, it's rejected. Period. The trick is to get your proposal made a part of the master plan. Then you can go ahead.

In relocation, while there is no master plan, HUD does issue comprehensive manuals of regulations for the local relocation offices.

Another facet of the law of anticipated reactions is financial. Some outside actors can quash innovative proposals by refusing to pay for them. Local officials are well aware of this, too. As one relocation officials said:

We had a big regional meeting with HUD officials. Local relocation officials from all over the area were there. HUD officials told us, "It's your program. Do what you want. Of course, keep in mind that we'll be monitoring your expenditures."
A vocational education administrator in a very innovation-minded organization had a parallel experience.

"We are constantly at loggerheads with state officials... They tell us, "You can do what you want. If, however, you wish to be reimbursed for your expenses, then you'll have to conform to the master plan."

All in all, it may be most accurate to take the paucity of cases of innovation-prevention not as a sign of indifference by outside actors, but rather as an indication of the effectiveness of the law of anticipated reactions. At least some local officials, if not most, may be conditioned so they do not push for many innovations that might fall outside the manuals of operation. Others may be so swamped in red tape that they have no time to push for such innovations.

Actors and Intra-Organizational Innovation

Intra-organizational innovation is almost but not quite the exclusive province of the organization's staff. Staffs generated a full 2/3 of all the innovations reported. The assumption that this type of innovation would mean more to staffs than any other political actor because the staffs
lived with intra-organizational problems on a day-to-day basis proved to be correct.

Nonetheless, staff-generated innovations were not uniformly spread throughout the three sub-types of innovations. Organization staffs generated no structural/fundamental innovations. A little less than half of their innovations were programmatic. The rest were incremental in nature.

Federal and state officials treated all three facets of intra-organizational innovation with considerable doses of benign neglect. They generated few innovations or innovative proposals, and they engaged in little innovation-prevention.

At least two explanations can be offered for the relative inaction of state and federal officials: 1) They are more or less satisfied with the local organizations' in-house procedures. 2) They do not really care much about procedures, in-house or otherwise. They care mostly about results, that is, extra-organizational impact.

The positions may seem mutually exclusive. They are not. State and federal officials have intra-organizational problems of their own to deal with. Also, each federal or state agency must oversee the activities of dozens of local organizations.
Thus they often do not have the time to take an extensive interest in the intra-organizational policies of the local organizations. From time to time, though, federal or state officials may intervene, especially if another political actor, such as a clientele group, brings an intra-organizational problem to their attention. As a routine matter, however, federal and state officials might not participate in this area because the pressures to devote time to other matters are more pressing, and because federal and state officials may feel they can get more return for their investment of time and effort in other areas, such as extra-organizational relations.

Clientele groups, professional associations and other local officials outside the organization hardly participated at all. Clientele groups most probably refrained for two reasons. First, intra-organizational matters do not affect them as directly as extra-organizational matters. In fact, it may not be much of an exaggeration to say that intra-organizational behavior is something that hardly interests them at all. Second, clientele groups tend to have very few resources. Unlike the other actors, they generally do not have
well-educated, highly trained staffs, nor are their staffs especially large. Often clientele groups are staffed by untrained volunteers of highly variegated educational backgrounds.

Compounding the manpower problem is a fiscal one. Clientele groups often must depend on contributions, which may be erratic in coming and small in size. Thus, clientele groups have few resources to work with.

Accordingly, they may decide to spend those resources only on matters where the potential payoff is greatest and where the organization's behavior affects the clientele groups the most. Thus clientele groups may be saving their resources for extra-organizational matters. Chapter 4 will suggest that clientele groups do indeed get involved in extra-organizational innovation, and that, considering their limited resources, they accomplish a great deal there.

Participation by professional associations was also slight. Almost all respondents said that professional associations did not involve themselves directly in innovation, either intra- or extra-organizational. Instead, lobbying was seen as the main function of professional associations.
Almost all respondents also voiced respect and support for the lobbying efforts of their professional associations.

Perhaps the most influential association of the ones discussed by respondents is the National Association of Housing and Redevelopment Officials (NAHRO). It publishes the *Journal of Housing* and numerous books about different aspects of redevelopment and relocation. Most of its publications are funded by grants from HUD. Furthermore, before disseminating regulation changes, HUD officials send copies of the new regulations to NAHRO for their comments and criticisms. The NAHRO-HUD situation suggests that NAHRO has considerable influence with HUD. The sending of regulation proposals to NAHRO is somewhat reminiscent of the Justice Department's practice of sending names of judicial candidates to the American Bar Association for their evaluation.

All in all, associations in the three policy areas promote intra-organizational innovation approximately to the same degree that the American Political Science Association promotes intra-departmental innovation.
Local officials outside the organizations under study participated very little. Two interesting reasons for the lack of participation by other local officials can be extrapolated from the interviews. First, contact with other local officials tended to be slight. Local organizations typically had far, far more contact with their policy-area counterparts in the state and federal governments.

Apparently, for much of the time, there was simply little or no need for communications with other local officials. Other local officials handle governmental functions that are different from the ones studied here, and the administrators interviewed usually felt little or no need to contact other local agencies. All this suggests that at the local level, functional overlap might not be very great.

The second reason cited in the interviews dealt with the nature of contacts when contacts occurred. Those who had contacts with other local officials frequently stressed that they did work for other local officials on a contract basis. Other local officials would merely turn the problem over to the organization under study, making no
suggestions on how the work should be done. As one relocation official said:

They (other local officials) simply give us their relocation problem. It's up to us to solve it. They really never make suggestions about what we should do. I don't think they care how we do the job, just as long as we get it done.

With these two reasons in mind, the lack of vigorous participation by other local officials in any facet of innovation seems understandable enough.

Intra-Organizational Innovation: Is Civil Service An Obstacle?

Without a doubt, it can be said that intra-organizational innovations were not plentiful. Only 33 were reported, and that is barely two per organization. Instances of proposals for future innovations and instances of innovation-prevention were even more rare.

Thus the question must be asked: Why was there so little activity in this area? Even the most vigorous political actor, the organization's staff, generated less than two innovations per organization. Some of those staff-generated innovations were incremental, too.
In the preceding pages, some reasons have been advanced as explanations why various actors did not participate more fully. There are, however, a number of obstacles to intra-organizational innovation that are even more fundamental than the reasons cited thus far. That is to say, even if all the difficulties already discussed were to be swept away tomorrow, it is doubtful that a great upsurge in intra-organizational innovation would or could occur.

Such an upsurge would be unlikely because a number of very fundamental obstacles tend to discourage intra-organizational innovation. Civil service, discussed briefly earlier in the chapter, can be a fundamental obstacle to any administrator wanting to innovate in the areas of hiring, promotion or dismissal of employees.\(^8\)

Born as an innovative reform, civil service now may be so clogged with archaic rules and regulations that it blocks badly needed intra-organizational innovations. In fact, some regulations of local civil service systems may be so outdated that they border on the hilarious. Unfortunately, the consequence of such regulations may not be quite so humorous.
Denver police officers are still required under civil service regulations to have a minimum of four molar teeth, an apparent holdover from the frontier days when lawmen had to have good teeth to "bite the bullet" to remove the wax the bullets used to be encased in. Until last year, Denver police regulations also stipulated that Civil War veterans be given preference for job vacancies.

Brian Rapp, a management consultant who was city manager of Flint, Mich., in the early 1970s and is coauthor of a coming book on municipal-government reform, says, "The typical civil service system flies in the face of modern management techniques."

He adds, "Elected officials have little control over the selection of their employees and thus are hampered in instituting programs they were presumably elected to carry out. Hiring and promotion are done on the basis of tests scored out to three decimal places, that have little relation to job performance. Pay increases are automatic and standard, so the manager is unable to reward good performance or punish incompetence. Red tape makes dismissals so difficult that civil servants are virtually tenured no matter how badly they perform. In short, the so-called merit system has produced just the opposite."

(Laing: 1976)

A specific intra-organization innovation that is being hampered by civil service systems is affirmative action hiring. The U. S. Justice Department, through filing and winning numerous lawsuits, has forced nearly 100 governmental units throughout the country to scrap traditional civil service tests and other hiring and promotion criteria for police and firemen. The courts generally have found that the tests were racially discriminatory,
and, interestingly enough, that the civil service tests were unrelated to subsequent job performance (Laing: 1976).

A director of municipal personnel in a large Midwestern city explained how civil service regulations can block attempts to implement innovations, such as affirmative action programs.

According to William Clark, director of personnel, one of the major problems in getting city jobs for minorities and women is the civil service system.

No matter how many people take and pass a written civil service entry examination, only the top scorers are eligible for the jobs.

"And it has been the pattern that black males do not do as well on the written examinations as white males," Clark said. For women, the problem is greater. Under civil service regulations, 20 per cent is added to a veteran's score. For example, if a veteran made 80 on an examination, he would get 16 points added to his score, for a total of 96. A woman might make 95 per cent on the test, but with no veteran's bonus credits, would be the low scorer and not get the job.

In promotional examinations, the top three scorers would be eligible for a step-up position.

"We believe the 20 per cent veterans bonus is abominable," said Paul Berminger, assistant city solicitor who works with the Civil Service Commission, "but the (federal) Equal Employment Opportunity Commission (EEOC) said it didn't want any change in the veterans bonus."

Clark said the city attempted a Charter change in May 1974 to do away with the state-required veterans bonus on civil service examinations. "Where was everybody then? The only ones I saw at the polls were the firemen who opposed the change." (Moncrief: 1976)
In the same city, officials are now considering a proposal to allow the city's 16 department heads to by-pass the usual civil service exam procedure in hiring three employees for their departments. The safety director is already making plans to take advantage of the new procedure. He is considering adding a black former Kansas City, Missouri police officer to his all-white staff. Black police officers have complained for some time that the department has not hired enough blacks (Andry: 1976).

Probably one reason for the proposal is to make it just a bit easier for department heads to hire blacks and women. It is interesting to note that in order to facilitate this hiring, department heads would be permitted to by-pass civil service. Such a manuever comes close to conceding that affirmative action goals might be more difficult to attain if all hiring were to be done under civil service.

Innovation-minded administrators may also find that civil service may prevent them from hiring and retaining the kind of employees they need in order to maintain standards and to innovate. Simply put, civil service regulations may force administrators to hire and promote people
who are inappropriate for the jobs for which they were hired. A study of a large municipal hospital suggested that civil service regulations can impede innovative behavior as much in a hospital as in a city hall. An innovation-minded hospital laundry administrator, Joseph Lee, has found that civil service tends to send him people who are not capable of doing routine work, much less undertaking anything innovative.

Not only is Lee unable to fire people who perform inadequately, he is bound by civil service regulations to hire people who cannot succeed. A simple example: one of the most common jobs in the laundry is that of "mule driver." This person must be able to handle a hose of 125 lbs. steam pressure (the water can reach 350 Farenheit), must be able to fill in on any job that is vacant and must be able to deliver clean linen trucks to the nursing areas, possibly as many as 32 within four and a half hours. A newly loaded truck can weigh 800 pounds.

Ninety per cent of the people sent to Lee when he has an opening are females; by law he must choose one of the first three applicants who walk through his door. He explains the difficulties to them, but more often than not they take the job anyway, and some gut it out during their trial period. Once the trial is over, however, and the employee is permanently entrenched, Lee finds that complaints about the burdensome work are frequent. In one instance, one employee had to be operated on for a pulled stomach. He has written to civil service to get males, so far with no success. If he is stuck with all females, he says, he'll eventually have to hire more people, which will cost more money (Laffoon: 1975: 147-8).
Overall, the judgment concerning the effect of civil service upon the hospital is quite harsh.

The foul-ups and frustrations that result from civil service probably cannot be exaggerated. No department is free of them. It forces supervisors to hire people they feel are inadequate, and obstructs them from firing when inadequacy is proven (Laffoon: 1975: 15).

The director of the hospital's Department of Lab Medicine, who formerly worked at the Mayo Clinic in Rochester, Minnesota, said:

Civil service creates such a secure environment that employees can push it to the limit and still retain their jobs. I saw more professionalism among elevator men in Minnesota than (sic) in some administrators here (Laffoon: 1975: 16).

Such an atmosphere is, of course, hardly conducive to intra-organizational innovation. Administrators may find themselves badly handcuffed by civil service rules and regulations. Many innovations probably never go beyond the wishful-thinking stage because they might conflict with civil service regulations.

Nonetheless, a great deal of innovation does occur at the hospital (Laffoon: 1975: 113-126, 148 and elsewhere). It should be made clear, though, that innovation occurs in part despite the limitations and frustrations thrown up by civil service.
Civil service, in this hospital study, was definitely one of the obstacles an innovator had to fight against.

All in all, civil service is something that usually does not aid intra-organizational innovation. Thus civil service regulations might be at least partially responsible for the low level of intra-organizational innovation reported in this chapter.

Do Unions Compound The Problem?

Today, many, if not most, local governmental organizations operate under civil service regulations. An increasing number are also working under union contracts. The question then arises, "If civil service can be an obstacle to intra-organizational innovation, might not adding a layer of union agreements on top of civil service also serve to inhibit intra-organizational innovation?"

The evidence suggests a "yes" answer. Feller, Menzel and Engle, writing about governmental organizations adopting technological innovations, noted:

Technological change is often labor-saving. In other situations, not directly labor-saving, readjustments in the work schedules are required for economical employment of the new technique to be warranted. In either case, changes in existing labor practices are required, but are often resisted by public employee unions (1974: 199).
An instructor of pediatric nursing with experience in state and county hospitals noted that union and civil service agreements can make performing even routine functions difficult, much less innovative ones. She observed:

From time to time, I have asked staff personnel "Would you please move this?" or "Get such-and-such for me." I have had people refuse. They say their contracts state they don't have to do whatever it is I asked them to do. Or they say, "It's not in my job description." I say, "Look, this patient is quite sick and needs help now." Sometimes that'll prod them into doing what I asked. Sometimes, though, they still refuse.

In the past few years, under the aggressive leadership of its mayor, the city of Wilmington, Delaware has engaged in a great deal of both intra- and extra-organizational innovation. Greater productivity has resulted. Costs have been lowered, and fewer employees are needed to perform routine tasks. Intra-organizational innovations were successfully applied to the departments of sanitation, fire, parks and recreation, licensing and inspection, public works, water works, and urban renewal and housing (reirce: 1976).

Accomplishing such feats was not easy. Sanitation workers were working 22 hours a week, but were being paid for 40. When innovations were
proposed, they went on a prolonged strike. They were backed by the NAACP. A court suit and arbitration followed. Elsewhere, many grass cutting and maintenance crews in the parks department were sleeping on the job. They, too, fought innovations that increased their work load, as did the firefighters and others (Peirce: 1976).

Not too surprisingly, aggressiveness was the key to putting over intra-organizational innovations in such an environment. This required lots of thorough background work, lots of patience and lots of persistence.

In Wilmington, he (the mayor) says, the city makes a careful study of payroll costs, fringe benefits and local industry pay levels before each negotiation. Far from being on the defensive at the bargaining table, the city replies to union demands with its own, especially in the productivity area. "And our laundry list is longer than theirs." (Peirce: 1976)

For the organizations studied, unions may have been an obstacle to innovation, but not as large an obstacle as civil service. Unionization has spread somewhat slowly among the organizations studied, and hence it is not as potent a factor as it was in Wilmington, or, as it is today in, say, New York City. Nonetheless, it seems safe to say
that where governmental unions are strong, aggressive behavior on the part of public officials might be necessary if substantial intra-organizational innovations are to be accomplished.

But Do The Organizations Really Want Intra-Organizational Innovation?

The discussion of obstacles thus far could leave one with the impression that organizations are full of people eager to innovate, but who are hamstrung by civil service regulations and union agreements. Such an impression could be quite misleading. The organization might be uninterested in innovation, or because of internal problems unrelated to unions or civil service, may be unable to implement innovations.

Anthony Downs argued that new bureaucracies are dominated by zealots who are eager to experiment and innovate. Then, as the agency grows older, the zealots are gradually supplanted by conservers, who are much more interested in protecting the organization from its enemies than they are in taking risks by engaging in experimentation and innovation (1967: 5-14). Thus, a certain amount of inertia sets
Such inertia is in turn fed by the potentially high cost of innovation. Downs very cogently explained how inertia hampers organizational innovation.

Like most large organizations, bureaus have a powerful tendency to continue doing today whatever they did yesterday. The main reason for this inertia is that established processes represent an enormous previous investment in time, effort and money. This investment constitutes a "sunk cost" of tremendous proportions. Years of effort, thousands of decisions (including mistakes), and a wide variety of experiences underlie the behavior patterns a bureau now uses. Moreover, it took a significant investment to get the bureau's many members and clients to accept and become habituated to its behavior patterns.

If the bureau adopts new behavior patterns, it must incur at least some of these costs all over again. Therefore, it can rationally adopt new patterns only if their benefits exceed both the benefits derived from existing behavior and the costs of shifting to the new patterns (1967: 195).

As mentioned in Chapter 2, administrators in two organizations very readily volunteered the fact that their organizations were doing little or no innovating. In one organization, the administrators interviewed even laughed while saying that their organization was doing things about the same way it had been for the last twenty years.

Administrators in other organizations said they were so swamped in federal and state red tape that they had neither the time nor the staff to devote
to innovation. Thus staff inertia was, in some cases, a powerful factor in keeping down the number of staff-generated intra-organizational innovations.

Moreover, a great deal in the environment of local governmental organizations tends to encourage staff inertia. Simply put, there are numerous disincentives to innovate.

Perhaps the worst is one that Feller, Menzel and Engel refer to as the "perverse incentive system." The National Commission on Productivity told how the system works by noting, "Government management systems generally penalize bad performance more than they reward good performance." (1973: 46) Feller, Menzel and Engel grimly added:

Adoption of new technology is a form of risk-taking. Managers receive little in the way of credit for improving operations, but can be penalized for efforts that fail (1974: 198).

The same statement can be made about adoption of virtually any innovation, whether technological or not. The innovation may be better than what is presently being used. In which case, the administrator will receive little credit. If, however, the innovation performs worse than the old method or goal, the administrator may find himself or herself
penalized in some way. Under such a "perverse incentive system," it is perhaps amazing that organization staffs do any innovating at all.

Staff Opposition: Can An Organization Sink Its Own Innovations?

Other internal factors may discourage innovation and may encourage staff inertia. Staff opposition, especially if it is severe enough, can be a powerful deterrent to intra- or even extra-organizational innovation. The staff is simply not monolithic, and an administrator who expects automatic compliance with his or her innovative ideas may be in for a rude shock. As Downs argued:

Because the proposers of change rarely perceive all the costs their suggestions entail, they normally fail to "sweeten" their proposals with enough offsetting benefits to assuage all other officials who would be adversely affected. This failure . . . generates tension between those officials who propose changes and those who would experience many of the costs but few of the benefits thereof (1967: 201-2).

The staff opposition Downs spoke of can be of at least two kinds: active and passive. Both can be devastating.
Thomas J. Scheff detailed an interesting case of active staff opposition in a state mental hospital (1961: 93-105). Where top administrators announced a number of mostly programmatic innovations. Much of the staff, especially the non-medical staff, opposed the innovations, and did a great deal to sabotage them. One favorite tactic of ward attendants was to encourage patients to discuss every complaint, no matter how small, with a physician. Thus, when a physician entered a ward, he or she was rushed by a dozen or more patients, all demanding immediate attention for their complaints. Since the physicians were already swamped with work, this extra burden made implementing any of the innovations just that much more difficult. In the end, the hospital's administrators let the innovations die. The staff had generated active opposition and had won.

This episode is an excellent illustration of David Mechanic's observation, "(O)rganizations, in a sense, are continuously at the mercy of their lower participants." (1962: 355) If Mechanic's point is accurate for routine organizational behavior, it must be doubly accurate for times when an organization undertakes to innovate.
Passive staff opposition can be as effective as active opposition. The staff may not share the innovator's enthusiasm for the changes, and may not take the extra effort needed to make the innovations work. Staff members may even agree that the innovations are desirable. However, the innovations may mean little to their work, or they may see the innovation only in terms of extra work for themselves while the benefits accrue to someone else (Wilson in Downs: 1967: 201). In which case, they may undo the innovation by not giving administrators their full cooperation.

Joseph Lee, the innovation-minded laundry administrator in a municipal hospital who was quoted earlier, has seen innovations of his defeated by such passive staff opposition.

When the hospital used disposable underpads for a time, Lee pleaded that nursing personnel not throw them down the chute with regular linen. If missed by the sorters, their neoprene backing would melt and harden in the dryer—the only way to remove it was with a blowtorch. Personnel liked the pads, but persisted in sending them down the chute, so now Lee refuses to stock them...

If ward workers need an underpad and can't find one instantly, they might stuff twenty towels beneath the patient instead. They like the special nursing packs he has been experimenting with—each one including sheets, a towel, washcloth and nightgown—but if they need something extra, they'll rip open the next pack to get one item.
Normal replacement of all linen supplies should be about 4.5 per cent annually, says Joe. Instead, he is running about 85 or 90 per cent. Through limited experiments in specially chosen wards, Joe has proven he can reduce loss substantially. Yet he cannot enlist the department heads and nurses he needs to make it work. Next year's budget is $115,000, but he thinks that if he could extend these successes, he could chop it by $30,000 to $40,000 (Laffoon: 1975: 146-7).

Staff opposition appeared to be a minor obstacle for the organizations surveyed. This may be due simply to the fact that very little of a structural/fundamental nature was attempted. Or, it may be due to the fact that organizations surveyed were relatively small in terms of numbers of personnel. When an organization is relatively small, the odds may be fairly good that the work of almost all employees will be affected positively by an innovation. Accordingly, most if not all employees may benefit if the innovation succeeds. Thus the employees have something to gain by making the innovation work. In such a case, the pressure to oppose an intra-organizational innovation may be reduced.

By contrast, in enormous organizations, such as the two hospitals just cited, work is perhaps compartmentalized almost but not quite to an extreme, and many individuals may not want to cooperate with
the innovator because they and their department will receive few of the benefits of the innovation.

Staff In-Fighting:
An Obstacle Or A Prod To Innovation?

If staffs can be responsible for inertia or opposition, they can also be responsible for competition over the organization's resources.

Large organizations, with a great deal of task differentiation, may be especially vulnerable to staff competition. James Q. Wilson has argued that the greater the diversity within an organization, the greater the probability that organizational participants will conceive of and propose major innovations, and the smaller the probability that such proposals will be adopted (1966: 200). The reason for the low adoption probability is the difficulty in obtaining a decision in an organization characterized by diversity (Rowe and Bose: 1974: 287). In effect, various individuals and departments have enough power and influence to block the innovations proposed by others, but few individuals or departments have the strength to build enough of a coalition to ensure adoption of their particular innovative proposal.
The study, previously cited, of a large Midwestern municipal hospital suggested that Wilson may be on the right track. Inter-departmental battles were common (Laffoon: 1975: 113-122), and often they were over facilities or personnel needed to sustain or initiate innovative programs.

In this study of local governmental organizations in Ohio, staffs generated few intra-organizational innovative proposals. Hence there could be little intra-organizational competition to see whose innovations got priority claim on the organization's resources.

It would seem in any event that staff competition could both prod and retard organizational innovation. The competition for resources could lead to a game of one-upsman, wherein individuals and departments tried to top each other's proposals in order to win organizational approval and funding. At the same time, the competition could become so intense that coalition building in order to put over a proposal might become almost impossible. Without allies, individuals and departments may find it difficult to get any but the most innocuous and inexpensive innovations adopted.
Can A Financial Crisis Induce Greater Intra-Organizational Innovation?

Civil service, unions, staff inertia, staff opposition and staff competition can all be formidable obstacles to intra-organizational innovation. That they can be such obstacles is indeed regrettable. As the evidence presented at the beginning of the chapter clearly points out, problems, often of a serious nature, abound in all three policy areas. Moreover, it is difficult to believe that greater intra-organizational innovation could not at least help the organization to alleviate some of the problems. Yet, because of the obstacles, greater intra-organizational innovation does not seem likely.

What is necessary, then, to increase intra-organizational innovation? Probably only a radical change in the environment could overpower the various well-entrenched obstacles that can thwart innovation.

Radical changes in the environment, however, do not come about easily or often. Thus some sort of virtually irresistible trigger mechanism is needed before that kind of change can happen.
Perhaps the most likely trigger mechanism today is a financial crisis. Perhaps more than anything else, a governmental financial crisis might be able to overpower the obstacles and prompt a noticeable increase in intra-organizational innovation.

The financial crisis of New York City offers an interesting test case. The need for greater intra-organizational innovation there may be tremendous. Using a variety of sophisticated quantitative techniques, including simulations and multiple regression analysis, Attiat and Jang H. Yoo analyzed New York's problems and options. Their conclusion was that greater innovation, both intra- and extra-organizational, was the only way for the city "to get back on the road to solvency" (December 1975: 43) (paraphrase in part). The data also led them to conclude that federal bailout or municipal default were both "second rate solutions at best." (43) In short, greater innovation may be the only way out of the woods for New York City.

Unfortunately, inertia still looms as an obstacle in New York City, even though the financial crunch is genuine. Although New York has laid off 44,000 workers out of 275,000, and although budgets in basic
services such as police and fire protection have been cut up to 25\%, as late as the spring of 1976 some city officials were still refusing to take the city's plight seriously (Peirce: 1976). Several months ago, the budget director of New York City reported having the following conversation with the chancellor of the City University of New York (CUNY) and the chairman of the higher education board.

"I told them we'd been talking for the past six months about the need for the university to lay off teachers and restrict enrollment, but that apparently they weren't getting the message. So I told them I'd instructed the controller to pay bills only up to a certain limit--month by month--and I informed them of what that limit was.

"And they said, 'But we won't be able to pay all of the payroll.'

"And I said, 'That's right, you won't.'

"And they said, 'Well, what are we going to do?'

"I replied, 'I'm not running the city university. You are. That's your problem. And if you haven't figured it out--who's going to get paid, and who not--I suggest you better go back and work around the clock and figure out the answer.'

"And they were literally dumbfounded to find we really meant it, that some of the faculty wasn't going to get paid. Suddenly all of the talk and all of the numbers, all of the newspaper articles were real." (Peirce: 1976)

Some months after the conversation, CUNY defaulted on its faculty payroll. The school was ordered closed. Some 250,000 students were shut out at the climax of their school year (AP: 1976).
The price of inertia can be great. (Saplin: 1976)

If inertia can be an obstacle even during a financial crisis, perhaps unions can be one as well. In the New York situation, unions can fight innovations two ways: by striking and by refusing to buy NYC municipal bonds. Using a poker game analogy, Neal R. Peirce explained the power the unions now have over innovative proposals in New York City. The quotations are from Donald Kummerfeld, the city's budget director.

The unions have two cards. The most obvious is to strike. But Kummerfeld adds, "The unions are also our bankers," because they control the huge pension funds that have promised $2.5 billion to tide the city over its borrowing problems until 1976. Thus, when the city bargains with its workers, he says, it's also bargaining with its bankers. "It's very easy to see that we have no leverage. We must in the end do whatever our workers want us to do, because they can refuse to give us the money for us to survive." (1976)

Whether the unions will use their leverage to block innovations remains to be seen. The fact, though, that they reneged on their pledge not to strike during the Democratic national convention does little to suggest a strong willingness on their part to cooperate fully with municipal officials (McFeatters: 1976).
Even if inertia is overcome, and the unions cooperate fully, the prognosis is not good. In the past, municipal bankruptcies have not triggered extensive intra-organizational innovation. A thorough study of municipal bankruptcies, most occurring during the 1930s, indicated that while some innovation did take place, city officials for the most part did not generate reams of new and clever ideas to bail their municipalities out of trouble. In fact, a close reading of the study suggests that many bankrupt municipalities were eventually pulled out of their difficulties by the economic boom generated by World War II (Advisory Commission on Intergovernmental Relations: 1973).

What makes the picture even bleaker is recognition of the fact that during the 1930s, some of the obstacles, such as civil service and unions, were not nearly as strong as they are today. Thus, to innovate then should have been easier than it would be now. Yet, not a great deal of innovation occurred then.

All in all, the most that can be said about a fiscal crisis is that it may present a city with an opportunity to engage in greater intra-organizational
innovation. The obstacles, though, to such innovation may still be present and may still be potent. Accordingly, the odds appear long that New York City will be able to engage in a lot of structural/fundamental intra-organizational innovation. For cities not under the gun financially, the odds appear even longer. Viewed from almost any perspective, it seems the obstacles to intra-organizational innovation are prevailing.

Summary

Problems, some of a serious nature, abound in all three policy areas under study. To a certain extent, the existence of these myriad problems indicates that present methods and goals have not been completely successful, and that adoption of innovations in methods and goals may help make at least some of the problems less formidable. Thus a need for intra-organizational innovation exists. Moreover, since problems are often not discrete, the need for innovation is probably continuous.

Achieving intra-organizational innovation, though, is not easy. The days when a Frederick Taylor could rip apart an organization and put it back
together as he saw fit are long gone.

Nonetheless, some intra-organizational innovation is occurring. Thirty-three innovations were reported. However, this was barely an average of two innovations per organization. As hypothesized, organizational staffs generated more innovations than any other actor.

About half of the innovations seemed to directly aid the organization in fulfilling its governmental functions. The other half, while not directly aiding this purpose, nonetheless helped the organization by enabling it to operate more efficiently.

Innovative proposals were not plentiful, but they did tend to be significant. Proposals centered around such things as affirmative action programs and cost/benefit analysis. Most proposals came from state and federal officials.

Instances of innovation-prevention were rare. The scarcity was, in all probability, not due to a lack of interest in intra-organizational behavior by outside actors, but rather to the operation of the law of anticipated reactions. Local officials may be screening out innovations they know outside actors, especially state and federal
officials, will not tolerate. Thus outside actors need not veto large numbers of innovations. The local organizations have done most of the "de-selecting" for them.

Organization staffs generated a full 2/3 of the innovations reported. Partially because of the obstacles, no other actor participated as much as the organizations' staffs.

Obstacles are numerous. Civil service regulations, union contracts, staff inertia, staff opposition and staff in-fighting can all serve as formidable obstacles to intra-organizational innovation.

Bringing about greater intra-organizational innovation will not be easy. Probably only a radical change in the environment could overwhelm the obstacles that now exist. A financial crisis may be needed to trigger that radical change.

However, a financial crisis probably only presents an opportunity for greater intra-organizational innovation. It does not guarantee that the political actors will seize the opportunity.

Viewed from almost any perspective, it appears the obstacles have the upper hand. Greater intra-organizational innovation does not seem to be on the horizon.
NOTES

1. This particular innovation, of course, has both intra- and extra-organizational aspects. It was classified as intra-organizational because of its use of the three categories for handling clientele.

2. Education, of course, is not as indivisible a benefit as, say, national defense. Very little can truly be said to be wholly indivisible or divisible.

3. The number of class hours per week is 4 1/2. The maximum number of students that can be in any vocational education class is 25.

4. The "elsewhere" in this case is extra-organizational innovation. See Chapter 4.

5. As a very rough rule of thumb, vo-ed teachers in Ohio are required to have at least a high school education, seven years work experience in the area they are teaching, and some college-level training in how to teach.

6. For related but much more intense conditioning, see Herbert Kaufman, The Forest Ranger (Baltimore: Johns Hopkins: 1960).

7. Some coordination between local officials does exist, though. Some relocation offices, for example, use boards of health to inspect housing units to determine whether the units are decent, safe and sanitary as required by federal law. ("Decent, safe and sanitary" is usually defined as meeting the local housing code.)

8. What is to be discussed here is just one aspect of civil service. The conclusion should not be drawn that, taken in its entirety, civil service represents something just short of evil incarnate. Moreover, it should not be concluded that civil
service is always an obstacle to innovation. Civil service can be cooperative. See Polk Laffoon IV, General Hospital: A Documentary (Cincinnati: The Cincinnati Post: December 1975), pp. 16-17.

All of these comments also apply to unions, which will be discussed after civil service.

9 In departments of nursing, there are no titles such as "assistant professor," "associate professor," or even "professor." Thus almost everyone in a nursing department is called an "instructor," regardless of his or her educational background or years of teaching experience.

10 The instructor is now teaching at a non-union, non-governmental community hospital near Cleveland. Interestingly enough, she says the type of problem just described occurs far less often at her present hospital.

11 The city of Cincinnati is currently undergoing a financial crisis, although the severity of the crisis is nowhere near that of New York City's. Nonetheless, Cincinnati has been cutting budgets, putting on a hiring freeze, and has completed an extensive reorganization which involved, in part, the abolition of the urban redevelopment department. Only time will tell how effective these changes will be. See Ellen Schmitz, "City Will Cut 85 Jobs To Streamline Services," The Cincinnati Post, June 3, 1976; Nancye Moncrief, "City Faces Budget Cuts," The Cincinnati Post, July 2, 1976; and "'77 Budget Cuts To Be Guidelines," The Cincinnati Post, July 2, 1976.
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Chapter 4

Extra-Organizational Innovation:
What's Going On Outside The Organization?

In human affairs, the best stimulus for running ahead is to have something we must run from.

Eric Hoffer

If intra-organizational innovation could help alleviate the problems discussed at the beginning of chapter 3, then so could extra-organizational innovation. In fact, since extra-organizational innovations affect the organization's clientele more directly than do intra-organizational innovations, extra-organizational innovation may, in many cases, have more of an impact upon the problems facing each of the three policy areas.

The need to solve existing problems goes hand in hand with the need to be of at least some service to the organization's clientele. Moreover, to be of service, an organization must innovate from time to time. Without innovation, an organization's
methods and services may become inadequate or even anachronistic. (Kaufman: 1971: 20-21). When that happens, the clientele may go elsewhere, or may demand radical changes in the organization and its personnel. Thus, organizations have reason to adopt client-related, or extra-organizational, innovations.

This chapter will examine extra-organizational innovation. It will also look closely at the various actors which promote innovation, sometimes through suggestion, sometimes through coercion. The reader may be interested to learn that arm-twisting appears to be an integral part of the processes of innovation. Lastly, the chapter will discuss the interrelationship between innovation and the problems faced by each policy area.

But What Happened To All The Obstacles?

Chapter 3 reported few intra-organizational innovations and lots of obstacles to those innovations. This chapter will show just the opposite. Extra-organizational innovations were plentiful. Obstacles were few. Moreover, the obstacles that can choke off intra-organizational innovation appear to be
quite impotent when it comes to blocking extra-organizational innovations. A quick look at each of the five obstacles will explain why.

Civil service concerns itself with the hiring, promotion and firing policies of the organization. It has only slight interest at best in how the organization deals with its clients. Thus it is seldom, if ever, an obstacle to extra-organizational innovation.

By contrast, public employee unions may have a great deal of interest in how the organization deals with its clients. However, their interest may be in an innovative direction. Far from being obstacles to extra-organizational innovation, unions may lobby to get new or improved services or benefits for the organization's clients (AFL-CIO: 1975) (AFL-CIO: 1976).

The last obstacles--staff inertia, opposition and infighting--can be overcome by the actions of outside actors. For example, extra-organizational matters are usually more of public interest than intra-organizational matters, and an outside actor sometimes can overcome staff inertia by hinting it will tell the papers about certain practices of the
organization unless the organization adopts specified innovations. Or, an outside actor with sufficient clout can overcome staff inertia, opposition or even infighting by mandating adoption of an innovation. Federal and state officials, since they often control sizeable grants to the local organization, can usually mandate innovation-adoption more easily than the other outside actors.

However it is done, the point remains that outside actors can and do overcome the staff-related obstacles to greater extra-organizational innovation. Perhaps because of the power of civil service and union agreements over intra-organizational behavior, the outside actors find it quite difficult to exercise the same kind of influence over intra-organizational innovation.

Innovation: Lots of Suggestions, Lots of Coercion

Extra-organizational innovations, as the reader may recall, include new or improved services or benefits for clients, changes that increase the role in organizational decision-making played by clients, and changes that lead the organization to drastically restructure its goals.
The organizations surveyed reported a large number of extra-organizational innovations. The median number of innovations adopted was seven. By contrast, only one of the fifteen organizations reported adopting as many as seven intra-organizational innovations. The table below suggests that virtually every organization participated in extra-organizational innovation to some extent.

```
Table 4.1
Innovations: 1 2 3 4 5 6 7 8 9 10...16
Organizations: 1 2 0 1 0 3 2 3 1 1
```

Since this type of innovation is so client-oriented, it was thought that clientele groups would be tremendously active. Thus, it was hypothesized that:

H4. Clientele groups will be the most active source of innovation in the area of extra-organizational innovation.

The findings did show that clientele groups were quite active. However, the findings also indicated that other actors with more resources were even more actively involved in extra-organizational innovation. Thus, the hypothesis was not confirmed.
The breakdown on actors as sources of extra-organizational innovation is as follows:

Table 4.2

<table>
<thead>
<tr>
<th>Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization's staff</td>
<td>30</td>
</tr>
<tr>
<td>State officials</td>
<td>28</td>
</tr>
<tr>
<td>Federal officials</td>
<td>19</td>
</tr>
<tr>
<td>Clientele groups</td>
<td>15</td>
</tr>
<tr>
<td>Other local officials</td>
<td>8</td>
</tr>
<tr>
<td>Professional associations</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

While compiling the data for Table 4.2, a most interesting phenomenon came to light: Coercion is often an integral part of the processes of innovation. Outside actors generated 70 innovations. Less than 40% of those innovations came to the organization in the form of a suggestion. Better than 60% came in the form of a mandate or order. Thus extra-organizational innovation, far more than intra-organizational innovation, is not always a voluntary undertaking. As Table 4.3 clearly indicates, federal and state officials, who hold the purse strings, do the most coercing. What is especially striking is that federal officials use coercive innovation so often and suggestive innovation so
seldom. While state officials do a lot of both, federal officials rely almost exclusively on their power to mandate innovations. As one local welfare official said of federal officials, "They don't make suggestions. They issue mandates."

<table>
<thead>
<tr>
<th></th>
<th>Suggested</th>
<th>Coerced</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State officials</td>
<td>11</td>
<td>17</td>
<td>28</td>
</tr>
<tr>
<td>Federal officials</td>
<td>2</td>
<td>17</td>
<td>19</td>
</tr>
<tr>
<td>Clientele groups</td>
<td></td>
<td>4</td>
<td>15</td>
</tr>
<tr>
<td>Other local officials</td>
<td>3</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Professional associations</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

A look at each policy area will indicate the variety of activity that is occurring. In all three areas, a large number of interesting and intriguing innovations were generated.

WELFARE. As the table on the next page suggests, welfare is an area of moderate to moderately heavy innovation activity. All of the welfare organizations surveyed were trying at least a few new ideas.
Table 4.4

Innovations: 4 5 6 7 8
Organizations: 1 0 2 0 2

As discussed at length in earlier chapters, welfare's function is the redistribution of income. Most of the innovations reported dealt directly with improving the execution of this function. For example, some of the innovations dealt with making sure income was redistributed only to those eligible for welfare payments. Other innovations attempted to correct inequities in the redistribution, that is, in some cases, innovations attempted to make sure all recipients in the same category were receiving identical benefits. Still other innovations led to readjustments in benefits so as to reflect price increases in the goods the recipients had to purchase.

Federal and state influence in welfare is heavy and tends to be quite coercive. Moreover, federal and state officials often work in tandem. Federal mandates are often followed by complementing state mandates. One local welfare official explained
the federal-state relationship this way:

The federal government issues guidelines for the counties. The state then fleshes out the federal guidelines. The state really just reacts to the federal government.

One federal-state mandate centered on reducing the error rate in ADC cases. Federal officials felt too much money, perhaps as much as $1 billion a year on a nationwide basis, was being distributed to recipients who were not eligible for the benefits they were receiving (Flora and Bunting: 1976). To curb these abuses, federal officials mandated a reduction in the error rate to no more than 5%. Since the 1975 HEW study cited at the beginning of chapter 3 indicated a nationwide error rate of 26.7%, the mandated reduction to 5% was quite drastic. Federal officials, though, did not indicate how local welfare departments were to achieve this reduction. However, federal officials did indicate that federal funds would be cut off if local departments did not comply. 2

State officials in Ohio moved in at this point with a complementary mandate to local departments. In order to reach the 5% level, all county departments of welfare were to conduct fact-to-face interviews.
with every ADC recipient to redetermine eligibility. State welfare officials also mandated a deadline for completion of the interviews.

Since each welfare office in a metropolitan county has tens of thousands of recipients, interviewing each one was a stupendous task. One local welfare department balked at the state mandate. It interviewed 1/3 of the recipients, and then stopped. It claimed that it lacked the manpower to interview the rest. State officials were not impressed, and insisted the remaining 2/3 be interviewed. They were.

Acting separately, federal and state officials were also quite involved in the day-to-day administration of local welfare departments. Federal officials forced one local welfare department to pay the county prosecutor for services he had been rendering for free. Federal officials told another local department it could release no data on recipients without the recipients' permission. Federal officials told at least one local department that, if a woman paid it a $20 fee, the local department had to look for her husband if he was not giving her support money. According to the federal mandate, the local department had to look
for the man even if his wife was not a welfare recipient.

State officials, presumably the ones with hearts of gold, told one county welfare department that if elderly persons were receiving too much in SSI monetary benefits, the local welfare department was to cut off their Medicaid benefits. The reaction of the local welfare department to that mandate showed a familiarity with bureaucratic politics. The administrator explained what the local department did.

We're not implementing that new state policy. Instead, we've asked for clarification. (Interviewer: How long does it usually take for you to get clarification?) Oh, that may take months. In the meantime, we are continuing with Medicaid benefits.

Other state mandates focused on changes in eligibility for the General Relief program.

Perhaps because of the various mandates, local administrators have decidedly mixed feelings about the state and federal officials with whom they work. When asked about state participation in innovation, one local official was very blunt.

They're really not much help here. They are not as sophisticated as our own staff. Our people are well-trained and we allow them to specialize.
feelings toward federal officials may be even less positive. In the interviews one sensed an undercurrent of resentment on the part of local welfare officials concerning participation by federal officials. One local official commented, "It (the federal role) is nothing necessarily constructive." Others complained about the voluminous regulations that seemed to change "all the time." Concerning the federal role in welfare, one local welfare official said:

No one in public welfare wants to assume responsibility for a final decision since federal regulations change so much. What we have instead is shared responsibility. Large numbers of people end up making the decisions. This is for everyone's protection. Otherwise, you're liable to get caught out on a limb the feds are sawing off.

Whatever feelings local welfare administrators have toward state and federal officials, they must learn to live with those federal and state officials nonetheless. It appears, though, that some local welfare administrators might be accepting federal and state mandates with gritted teeth, or at least, with resignation and reluctance.

Relations with clientele groups yielded a number of mostly incremental innovations. In one city, the clientele group documented that various
sub-districts of the welfare department offered different benefits. For example, some paid for recipients' bus fare, while others did not. Since the function of welfare is to redistribute income on a non-arbitrary basis, the groups complained that the differences in benefits were not fair to those recipients who were not assigned to those sub-districts that offered more. The department agreed, and benefits were standardized throughout the sub-districts.

In the same city, a clientele group did a price study of items such as mattresses. The group was able to document that the organization was allowing much less for the items than the actual cost. In response, the local welfare department then upped payments for the items surveyed.

In another city, the clientele group pressured the local welfare department to remove the limit on the school clothing allotment for ABC recipients. The clientele group proposed that there be no dollar limit on the children's clothing a recipient could buy in the fall before school opened. The department accepted the innovation, and implemented it for two weeks. What happened then was interesting.
The administrator explained:

Then the state stepped in and said the clothing limit could be $15 and no more. Before that, we had no word from them on what the limit should be.

While having close contacts with the local welfare organization has yielded some benefits for clientele groups, intimacy can also work against them. As one administrator remarked:

The groups have been somewhat compromised. By us. They don't have good leadership, and we can say to them, "Look at all we've done for you. Why gripe about such-and-such?"

Input from other actors was slight. In one county, the welfare department had been working with the Salvation Army. The Salvation Army was running a rehabilitation program for alcoholics. County commissioners suggested the welfare department pay for the physical exams given the alcoholics entering the program. The local welfare department adopted the suggestion.

By and large, though, most extra-organizational innovations in welfare came from state and federal officials. Moreover, most of the state and federally generated innovations were coercive in nature.
As noted at the beginning of the discussion, a large number of the innovations bore directly upon welfare's function of redistribution of income. For example, most of the state and federally generated innovations focused upon altering eligibility standards and upon forcing the local welfare organization to reduce its error rate in the distribution of benefits.

RELOCATION. Relocation's function is, as discussed in earlier chapters, to provide a large external benefit not handled by producers and consumers in their day-to-day operations. The displacees are often at the mercy of the government. By definition, they are people to be moved, and if they do not get help from the government, there is usually no set of producers or consumers in the marketplace who can or will help them. Thus, upgrading the quality of the benefits and services offered by government to displacees is crucial for the displacees' well-being. Most of the extra-organizational innovations were designed to upgrade the quality of the benefits and services government
does offer to the displacees.

Activity in relocation innovation varied tremendously. At two of the five organizations, administrators indicated that their organizations seldom adopted any innovations. By contrast, two other relocation organizations were quite innovation-minded and were quite proud of what their innovations had achieved. The table below indicates the wide range of activity in relocation.

Table 4.5

<table>
<thead>
<tr>
<th>Innovations:</th>
<th>1</th>
<th>2</th>
<th>.</th>
<th>.</th>
<th>6</th>
<th>.</th>
<th>.</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizations:</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Federal officials were among the most active participants in innovation in relocation. For example, federal officials coerced one relocation office into offering professional counseling for the displacees before they are moved. Federal officials also forced the same office to offer each displacee at least one suitable dwelling in a "non-impacted area." "Non-impacted area" turned out to be a euphemism for a move across racial lines. Presumably, federal officials were trying to use the relocation program to increase racial integration in that particular community.
Elsewhere, federal officials forced a relocation office to use independent inspectors to look over potential dwellings for displacees. Previously, the housing units were being inspected by relocation officials. As the local administrator explained:

Our relocation people were finding housing units for the displacees, then inspecting the units themselves to be sure the units met the housing code. Federal officials thought someone else ought to be inspecting the units. (Pause) I guess they had a point.

The other four relocation offices indicated they had had independent inspection of housing units for years or even decades. Thus this particular relocation office may have been a bit behind the times in this regard.

Federal officials also mandated a change in the method of payment of benefits to some displacees. Certain payments, such as rent supplement payments, that had been made quarterly to displacees, now have to be made in a lump sum shortly after the move. One relocation official commented:

We don't think this lump-sum payment idea is a good one. Some of the displacees have never had very much money. If you give it to them quarterly, over a period of two or three years, then they can budget the spending of it much better. But if you give them a lump sum running into the thousands, and tell them "Now this is supposed to help you take
care of such-and-such," you're just tempting
them to go out and spend it all at one time.
Then when the bills roll in, such as rent
payments that are higher than those at their
old place, they may not have the money for it.
We tried talking the feds out of this,
but we couldn't.

While contacts with federal officials were
plentiful, most relocation offices reported highly
limited contacts with state officials. At one
office, the administrator interviewed said bluntly:

We used to do the moves for the state
department of -----------. The benefits they
offered displacees, though, were grossly
inadequate. We told them we thought the
benefits ought to be increased. They were
way below the benefits offered displacees on
federally funded projects. State officials
refused our request. Finally, we told them,
"You'd better move the people yourself."

One relocation office did have extensive
contacts with state officials. State officials
were constantly mandating and suggesting innovations
to the local organization. However, not all of the
state instructions were perfectly clear. After
a while, local officials became confused as to
what state officials wanted done. As one of the
interviewees complained:

We tell them in great detail what we plan
to do. They either say, "Go ahead," or say
something noncommittal. Then we send it in and
it comes back stamped "Disallowed." (Interviewer:
Which means the state won't reimburse you for
the costs?) Right. It happens all the time. (Interviewer, stifling a laugh: Pardon me, but that's ridiculous.) Of course it's ridiculous. But that's what we have to put up with.

Clientele group activity was irregular. In one city, a group leader suggested that the local relocation office advertise on television and in the newspapers in an effort to locate all the displacees. The relocation office adopted the suggestion, and several hundred displacees who could not be located by other means were found. Interestingly enough, federal officials told the local relocation office that it did not have to do the advertising.

In the same community, clientele groups coerced the relocation office into making greater efforts to promote open housing. Clientele groups formed an alliance with federal officials and pushed the local office into doing more in this area than it would have done otherwise.

By and large, though, clientele groups in relocation were not interested in affecting overall policy making. Rather, their attention was focused on individual problems and situations. As one relocation administrator commented:
The groups have no interest in relocation per se. The have no interest except concerning individual relocation payments.

Concerning the relocation payments, another administrator commented, rather glumly, "Mostly, they (the groups) want us to bend the rules."

One relocation organization conducted extensive public meetings during a major redevelopment project. The minutes of the meetings indicated residents were interested mostly in the details of the implementation of the program. A comment made by a resident at one meeting was typical of the level at which displacees had the greatest concern. The person asked:

Those maple trees near the end of my block--you're not going to bulldoze them, are you? They've been there for years.

Interestingly enough, on the rare occasions when residents took an interest in programmatic or structural/fundamental matters, the interest was not in redevelopment or relocation, but in social services and welfare. A great deal of time at one meeting was expended in discussing what welfare benefits were available, what the welfare department's budget was, and whether or not a tax levy for welfare would pass.
Perhaps the chief reason for the scarcity of clientele groups in relocation and the incremental level at which those groups seem to focus most of their attention is that the 1970 federal Uniform Relocation Act increased displacee benefits so substantially that opposition to redevelopment from clientele groups has been muted. One relocation administrator observed:

Generally, we have little contact with interest groups. . . . Since the 1970 Uniform Relocation Act became effective, we have had few complaints from displacees. The benefits are so high. Take a home owner. His place may be so beat up he couldn't get $4,500 for it on the open market. If we have to displace him, though, without much trouble he can get the fair market value plus up to $15,000 from us for his house. Wouldn't you be satisfied with that?

Other local officials occasionally offer innovations that relocation officials can use. One relocation office got extensive and valuable advice from a municipal economic department on arranging financing for a factory the relocation office had to move. Another relocation office got help from education officials concerning a displaced youth who was not attending school.

Other relocation officials had less positive experiences with local officials outside the relocation
office. One administrator commented, "No, other local officials just want the job (of relocation) done. They give us the job and then they have no further interest." Another relocation official reported very negative experiences with other local officials. Speaking softly, he said:

No, I never get any good suggestions from local officials. Most of the other people here in City Hall are too conservative. They think the whole relocation program is a waste of time.

Overall, innovation in relocation tends to be incremental or programmatic in nature. Coercion was used a bit less often in relocation than in welfare. This may be partially due to the fact that relocation's problems are not quite as severe as those of welfare.

Participation in innovation varied tremendously across the five local organizations. The organizations doing the most innovating appeared to be the most professionally staffed and administered. Most of the innovations were directly related to relocation's function of providing benefits not furnished by producers and consumers in the marketplace.
VOCATIONAL EDUCATION. Vocational education was far and away the policy area with the most innovations. Vo-ed organizations pursued innovation with a vigor seldom matched in the other policy areas.

Table 4.6

<table>
<thead>
<tr>
<th>Innovations:</th>
<th>7 8 9...16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizations:</td>
<td>2 1 1 1</td>
</tr>
</tbody>
</table>

Vo-ed's functions are to provide a benefit that is somewhat indivisible and is external to the processes of producers and consumers in the marketplace. As mentioned in chapter 3, vo-ed tries to provide training for jobs that already exist but for which few companies provide on-the-job training. Thus in a very real sense, vo-ed does try to provide a benefit not furnished to society by the marketplace.

Vo-ed officials seem very keenly aware that that is the main function of their organizations. Vocational education officials measure every program on a regular basis to see how well each helps them to fulfill vo-ed's functions. Typically, administrators draw up and circulate a questionnaire concerning a proposed program. The questionnaire is sent to companies in the field to be covered by the
proposed program. The questionnaire asks if the respondents feel there is a need for such a program, how many job openings in that area might occur in the locale each year, and whether or not any officials of the corporation would be willing to serve on a technical advisory committee for the program. The questionnaire also outlines the program in great detail, and asks the respondents to judge whether each facet is important or not. According to one administrator, the questionnaires typically run two to four pages. If the responses are positive, the program is established.

At the end of the school year, graduating students are surveyed to see what job, if any, they have found and if it is in the field the program was preparing them for. If the placement rate is high, the program probably will be maintained. If the survey shows that students are having problems locating work, the program may be modified or even dropped. Several administrators indicated programs had been abolished in recent years because the need for them had diminished. Thus, vo-ed administrators measure beforehand the need for their programs, and afterwards the relative success of each one.
As Table 4.6 indicated, lots of innovation did occur in vocational education. Vocational education staffs were particularly active. They generated twenty-four innovations. By comparison, relocation staffs generated four, and welfare staffs generated two. The input by vo-ed staffs made organization staffs the leading actor in extra-organizational innovation (Table 4.2). Without vo-ed, organization staffs would have ranked near the bottom instead of at the top.

Why are local vocational education officials so active while their counterparts in relocation and welfare are not? No definitive answer can be given. However, the interviewing did suggest a most plausible one.

Anthony Downs argued that early in an organization's life it tends to be very innovative because it attracts a disproportionate number of zealots who are eager to remold the world with their new and daring ideas. However, as the organization becomes more established, the zealots are gradually replaced by "conservers" who are less innovation-minded and are more interested in preserving the organization from attacks by its enemies (1967: 5-12). Thus,
as the zealots leave the organization, innovation declines. In essence, Downs is suggesting that perhaps the best way to insure innovative staff behavior is to somehow retain the zealots.

Vocational education has done just that. The interviewing uncovered little messianic zeal on the part of administrators in relocation and welfare. However, vocational education administrators did exhibit more than a slight tendency in that direction. One vocational education office had a sign over the front door that read: VOCATIONAL EDUCATION IS REAL EDUCATION. Inside the office, another sign read: INNOVATIVE PROGRAMS: VOCATIONAL EDUCATION. The administrator interviewed in that organization said:

We have the most innovative organization in the world. Oh, I know that sounds like bragging. But it's true.

In another part of the interview, the administrator argued:

We feel that all education is vocational education. For example, isn't law school just another form of vocational education?

In another vocational education organization, the administrator said:
We have to spend as much time changing student attitudes as teaching them the job skills. Take you for example. You've got some ambition. You're getting a PhD. That's the kind of thing we've got to instill in people today. You be sure to put this in your dissertation. The most important thing of all is to get into people a positive attitude towards work and what work they can do.

Thus, local vocational education administrators may be so innovation-minded because they are zealots. But why are they zealots? Perhaps partially because of the widespread biases against vocational education. To a large segment of the public, vocational education is something one gives to one's child if and only if the child is not bright enough to handle the usual academic subjects in high school. Also, there exists, unfortunately, considerable prejudice in society against people who work with their hands. Thus vocational education administrators have some skepticism and bigotry to overcome. Having "something to prove," they engage in more innovation activity than their counterparts in relocation and welfare.

Whatever the cause, local vocational education officials were quite innovative. One vocational education department has begun an agreement with the city government concerning homes seized for
non-payment of taxes. The students in the vo-ed carpentry classes gut the homes and refurbish them. In the future, the school officials hope to get several houses in the same neighborhood, thus affording an opportunity to have a visible impact upon a neighborhood. Another vo-ed department got a $600,000 boat for $29,000 from the federal government, then found a barge line to tow it to the city for free. The boat will be used for marine careers training classes.

Perhaps most intriguing, though, are the experimental programs being conducted for troubled—and troublesome—students. One city runs a "disruptive student" program. Under it, students are transferred from their own schools to one of two camps in rural areas. They are bused back and forth each day. The surroundings are pleasant, and the student-to-teacher ratio is only ten to one. Psychological counseling is given, and coursework is geared as much as possible to the talents and interests of the particular student. As soon as is practicable, the student returns to his or her own high school.

Another city has developed, through the suggestions of a member of the state board of education, another approach to reaching the same
type of student. The alternative school in this program is in the city. Free bus tickets are provided for the students, as well as free lunches. Guidance counseling is provided and school attendance is strongly expected. If a student does not show, the school sends a representative to the home. Non-vocational classes, such as English and math, are geared to mesh with the vocational classes. For example, an English class might focus on how to spell the names of tools used on the job. Vocational education instructors routinely go with their students to non-vocational classes to be sure that those classes do tie in with what is being taught in the vocational classes.

A third vo-ed organization uses still another approach. Students attend class for only a half-day, and are off the rest. Part-time jobs are found for as many of the students as possible. Students are encouraged, but not required, to take academic courses. Much more time is spent in vo-ed classes repeating materials than is spent in typical vo-ed classes. Thus less is covered. Students are allowed to drop courses once they have started, and to pick up new ones. This is not permitted normally. A great deal of attention is paid to developing
positive attitudes in the students towards their abilities and their work. Since this program is less than two years old, its success is hard to measure. In terms of extra-organizational behavior, though, an interesting phenomenon may be occurring. One of the administrators connected with the experimental program said, almost sadly:

People leave you alone when you're running a new program. So far, we have had little outside intervention. I expect a great deal of it later, though, when the program becomes successful. Everyone rushes in then. Everyone wants to claim some of the credit. Everyone wants a piece of the action. That's when we'll start getting people telling us how to run the program.

State officials were also quite active. In vocational education, they often serve as conduits for valuable information. More than one local vo-ed administrator said he adopted a particular program after state officials urged him to go to another city and look at what was being done there with a program. State officials learn of innovative programs at the local level and then urge local officials from other parts of the state to look at those programs with an eye towards possible adoption. State officials also furnished technical advice for various programs as well as partial funding
for a few experimental projects.

An atmosphere of cooperation and partnership exists between local and state vo-ed officials. This was stressed by all local vo-ed administrators. However, the same administrators indicated numerous points of friction with state officials over scheduling of classes, curriculum development, content of courses and many other areas. State officials appear to do as much mandating as they do suggesting.

In vocational education, state and possibly federal law requires regularized contacts with clientele groups. By law, businesses and unions must be asked to let their people serve on advisory committees in their respective specialities. One administrator explained a bit about how school officials interact with the advisory groups.

We meet with each group twice a year, once in the fall, once in the spring. Because I'm _____ (job title), I have to go to all the meetings. We hold one per night, four nights a week. (Interviewer: How many advisory groups do you have?) Thirty-eight or thirty-nine. (Pause) There are so many groups that almost every weekday night in the fall and spring I have to go to a meeting.

The groups appear to be of great value to vo-ed administrators. Often the groups furnish not only valuable advice but also the goods and facilities
necessary to start a program. For example, an advisory group from the auto industry suggested to one vocational education organization that it ought to establish an auto repair center that would teach the students to make highly specialized repairs, such as transmission repairs. The organization adopted the innovation, and Ford, GM and Chrysler donated $800,000 worth of equipment to get the center started.

In another city, members of an advisory group knew that Goodwill had no facilities to reupholster furniture. Thus, when someone donated furniture that needed repair, there was nothing Goodwill could do with it. The advisory group suggested that the furniture be passed along to the vo-ed upholstering classes. Goodwill and the vo-ed administrators then worked out a plan whereby the students would reupholster the furniture, then return it so Goodwill could sell it in their stores.

Elsewhere, suggestions by advisory groups led to the adoption of programs teaching word-processing and programs teaching air-valve and hydraulic-valve repair.
Most, if not all, of the programs suggested by advisory groups are not widely available in society as a whole. Thus, by offering the programs suggested, the vo-ed organizations are helping to fulfill their function of providing an external benefit (certain types of job training) not found in the marketplace.

Besides generating innovations, advisory groups serve as sounding boards for the proposals of education officials. Since the members of the groups work in the marketplace, they can tell vo-ed officials fairly accurately what equipment and facilities would be needed for a specific program. Also, they can articulate better than anyone else where the job openings are and are not in their particular industries. Valuable as their innovative suggestions are, advisory groups are even more valuable as sources of information and advice about programs and job markets. One vo-ed official summed up the advisory groups by saying, "Their main role is to pinpoint needs."

Vo-ed officials got very few innovations from other local officials. This is probably due to the fact that vocational education organizations seem to have few contacts with other local officials.
One vo-ed official said simply,

We have very limited contacts. Our rapport just isn’t that good.

Another was even more blunt.

City hall has too much turnover to make working with them feasible. They want us to advise them on how to run a manpower program. We won’t. There’s too much politics in that program, and they’ve got it all messed up. They don’t know what they’re doing.

Overall, vo-ed officials and the other actors who participate here in innovation seem to be making a genuine effort to see that innovations do indeed further vo-ed’s function of providing a benefit (certain kinds of job training) not offered in the marketplace. Auto repair programs, upholstery programs, carpentry programs, and dozens of others seem to be carefully planned and executed so as to provide useful training the students could not otherwise receive. Vocational education was by far the most innovation-minded of the three policy areas.

Since a great deal of material has been presented concerning extra-organizational innovation, perhaps it is best to summarize what has been learned about
who participates in extra-organizational innovation. The summary is presented in table form. A table for each policy area is given on the next two pages. If an actor is a vigorous participant in an area, the name of the actor is capitalized. A lower-case listing indicates lesser participation. When an actor's name straddles two categories, this means that the actor's behavior is about evenly divided between the two. If the straddling occurs between the "incremental" and "none" categories, this indicates the actor is a source of incremental innovations for some organizations, but does not participate in any way concerning the other organizations surveyed.

The tables clearly indicate that actors vary their participation greatly according to policy area. The processes of innovation involve numerous webs of interactions among the participants. Note how organization staffs vary the intensity and levels of their activity, and how state officials move from highly incremental activity in one area to highly actively programmatic participation in another. Note, too, that federal officials are the only actors consistently found at the structural/fundamental level. The promotion of structural/fundamental
innovation is an obligation that federal officials seem to have assumed for themselves. Moreover, it is an obligation other actors seem willing to let federal officials handle almost entirely on their own.

### Table 4.7

**Welfare**

<table>
<thead>
<tr>
<th>Structural/Fundamental</th>
<th>federal officials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programmatic</td>
<td>STATE OFFICIALS</td>
</tr>
<tr>
<td></td>
<td>clientele groups</td>
</tr>
<tr>
<td>Incremental</td>
<td>FEDERAL OFFICIALS</td>
</tr>
<tr>
<td></td>
<td>organization staff other local officials</td>
</tr>
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<td>None</td>
<td>professional associations</td>
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</table>

### Table 4.8

**Relocation**

<table>
<thead>
<tr>
<th>Structural/Fundamental</th>
<th>federal officials</th>
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<tbody>
<tr>
<td>Programmatic</td>
<td>organization staff</td>
</tr>
<tr>
<td>Incremental</td>
<td>federal officials clientele groups</td>
</tr>
<tr>
<td>None</td>
<td>state officials other local officials</td>
</tr>
<tr>
<td></td>
<td>professional associations</td>
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Table 4.9

<table>
<thead>
<tr>
<th>Structural/Fundamental</th>
<th>federal officials (?)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programmatic</td>
<td>ORGANIZATION STAFF STATE OFFICIALS</td>
</tr>
<tr>
<td>Incremental</td>
<td>clientele groups</td>
</tr>
<tr>
<td>None</td>
<td>other local officials</td>
</tr>
<tr>
<td></td>
<td>professional associations</td>
</tr>
</tbody>
</table>

Sources of Innovative Proposals

Proposals for extra-organizational innovations were a bit more numerous than proposals for intra-organizational innovations, but they were still not plentiful. Most of the organizations reported receiving none or only one extra-organizational innovative proposal.

Table 4.10

Innovative Proposals: 0 1 2 3 4 5 6
Organizations: 5 7 1 0 1 0 1

Since there were 100 extra-organizational innovations, it may seem surprising that there were so few innovative proposals. The dearth of proposals
may be due in part to the fact that so many of the extra-organizational innovations were coercive in nature. A proposal for a future innovation implies suggestion or persuasion on the part of the offerer, while outside actors do suggest and persuade the organization, we have seen that issuing mandates to the organization occurred in about 60% of the cases. Thus so little may be proposed because so much is mandated.

Another possible reason for so few proposals centers around the nature of the proposals themselves. Usually they are programmatic or structural/fundamental in nature. Worthwhile programmatic or structural/fundamental proposals are probably never very plentiful, and proponents most likely would want to go slow with them because so much is at stake. Also, such proposals may not be easy or inexpensive to implement. Thus the number of innovative proposals outstanding at any time probably will never be more than just a few.

Concerning who was an active proponent of future innovations, it was hypothesized that:

H5 In the area of extra-organizational innovation, clientele groups will be the most active proponents of innovative proposals.
The findings did not confirm the hypothesis. Once again, actors with more resources participated more heavily than did clientele groups. The proponents and the number of innovative proposals they offered is as follows:

Table 4.11

<table>
<thead>
<tr>
<th>Group</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal officials</td>
<td>7</td>
</tr>
<tr>
<td>State officials</td>
<td>5</td>
</tr>
<tr>
<td>Clientele groups</td>
<td>3</td>
</tr>
<tr>
<td>Other local officials</td>
<td>2</td>
</tr>
<tr>
<td>Organization staff</td>
<td>1</td>
</tr>
<tr>
<td>Professional associations</td>
<td>1/19</td>
</tr>
</tbody>
</table>

A brief look at each policy area may indicate what innovations might be adopted in the future.

WELFARE. As an aid to fulfilling welfare's function of redistributing income to those eligible, federal officials are pushing for more verification of recipients' eligibility. Administrators in two organizations reported that federal officials seemed to be pushing for more home visits as a way of verifying eligibility.
One administrator was not overly concerned by the federal proposals. He commented:

We've had periods when greater verification is demanded. Then the requirements for verification get reduced, and verification is made easier. We're just in a period of higher verification. These things move in cycles.

State officials were promoting a "Food Stamp Outreach" program to officials at one local welfare office. The same office reported that a clientele group was trying to get it to allow the group to run the Food Stamp Center on a contract basis. The local welfare organization seemed to have decidedly mixed feelings about the proposal.

County commissioners urged the same welfare office to allow higher payments to parents to buy clothing for their school children.

RELOCATION. In relocation, federal officials are urging that more services be offered to displacees as a supplement to cash payments. One administrator commented:

Now federal officials ask us, "What did you do for the people beside pay them?"
Federal officials are also pushing for more citizen participation in all phases of urban redevelopment. However, how this greater "democratization" should be accomplished by local relocation bureaus is not spelled out by federal officials. One administrator, when asked how he planned to achieve more citizen participation, responded:

I don't know. I don't know how we can do that. (Pause) I do know, though, that if we have more citizen participation it will slow everything down.

Both of these proposals are clearly intended to aid the organization in fulfilling its function of providing benefits external to the marketplace. Theoretically, at least, greater citizen participation would help relocation officials tailor their benefits more closely to the needs of the displacees.

Elsewhere, clientele groups were pushing one relocation bureau to adopt more aggressive open housing policies.

VOCATIONAL EDUCATION. In vo-ed, an advisory group pushed for a new program. This was a program not offered by industry, and thus, if adopted, would help vo-ed fulfill its function of providing a benefit (certain kinds of job training) not available
in the marketplace.

The group urged a vo-ed organization to adopt an auto parts handling program. Members of the group felt there was an unmet need for a program to train students to sell auto parts and keep inventory. The vo-ed administrators surveyed local businesses to determine if indeed there was a need for such a program. The survey results were positive, and the organization recently began putting together such a program.

An interesting but only erratically occurring phenomenon in vo-ed is the alliance between neighborhood groups and administrators of high schools. At one school, the interests and aptitudes of pupils were slowly changing, and the principal and the neighborhood groups had formed an alliance to pressure the vo-ed officials into changing the vo-ed programs offered at the school. While such alliances are legitimate and are often helpful to everyone concerned, the results of such alliances are not necessarily always pleasing to vo-ed officials. One administrator commented:

Take H----- High School. The neighborhood groups and the school administration pressured us into giving them an environmental health program. Frankly, not many who graduate from that program can get jobs. It was adopted for
prestige. We wanted to put in a food handling program, but that has no prestige and we couldn't sell it to the community or the school administration.

State officials are promoting various innovations in curriculum development. The interviews indicated that this is something state officials do almost continuously.

State officials are also urging local vo-ed organizations to beef up their employment and placement services for students. Given the current quasi-depressed state of the job market, this seems like an excellent innovation to promote.

State officials are also urging local vo-ed organizations to experiment with expanding vo-ed programs to the lower grades. Now vocational education programs are open only to students in the eleventh and twelfth grades. The idea behind offering programs suitable for students in lower grades is to make vo-ed courses more integral to the students' education, and thus to encourage some of the not-so-academically motivated students to stay in school.
Overall, vo-ed had more programmatic innovative proposals than the other two policy areas combined. This was partially due to the innovation-mindedness of vo-ed officials. Such zeal is commendable, but is not without its problems. Since the climate in vo-ed fosters innovations, virtually every school wants its own innovative programs. Since few if any vo-ed organizations can afford to put a full range of programs into each school, conflicts inevitably develop over whose school gets which new programs. As one vo-ed administrator commented, with obvious exasperation:

Each school principal sees himself like a ship's captain: He's out there alone on the sea and he's fully in charge. He also expects his ship to be fully equipped. That means he wants all the programs other schools have. We say, "No, you can't have that particular program. It's being offered at another school just a few miles away." Do you think they can see that? Not very often.

The auto mechanics program is a good example. We did not want to put one in each school. But the principals lined up community leaders and fought us and eventually we had to give in. Now every high school has an auto mechanics program. There's no need for each school to have such a program, but every school has one nonetheless.
Blocking Innovation:
Who Gets In The Way?

Besides examining who were the sources of innovations and innovative proposals, the research sought to learn who was blocking or preventing the organization from adopting the extra-organizational innovations it wanted to adopt. While cases of extra-organizational innovation-prevention were slightly more common than innovation-prevention in intra-organizational behavior, nonetheless, most organizations reported few occurrences of such blockages.

Table 4.12

<table>
<thead>
<tr>
<th>Innovations Blocked:</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizations:</td>
<td>7</td>
<td>1</td>
<td>5</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Answers were sought to two questions: "What innovations were blocked?" and "Who blocked them?" Concerning the second question, it was hypothesized that:

H6 Federal officials and state officials will be most active in preventing the organization from adopting the extra-organizational innovations it wants to adopt. Other local officials and clientele groups will be less active.
As with hypotheses #2 and 3, the actors are listed in descending order of participation.

Eighteen instances of innovation-prevention were reported. The findings did not lend much support for hypothesis #6. The actors, and the number of innovations they blocked, are given below. The Spearman rank correlation coefficient \( r_s \) was .00, which is more than a little bit on the low side.

Table 4.13

<table>
<thead>
<tr>
<th>Actor</th>
<th>Number of Innovations Blocked</th>
</tr>
</thead>
<tbody>
<tr>
<td>State officials</td>
<td>10</td>
</tr>
<tr>
<td>Clientele groups</td>
<td>5</td>
</tr>
<tr>
<td>Federal officials</td>
<td>2</td>
</tr>
<tr>
<td>Other local officials</td>
<td>1/18</td>
</tr>
</tbody>
</table>

The raw numbers were a little surprising. That state officials would be responsible for over half the blockages was not anticipated. Moreover, it was not expected that clientele groups, with their highly limited resources, would be more active than the comparatively well-financed federal officials. An examination of each policy area may provide some clues towards explaining why the anticipated patterns did not emerge.
WELFARE. Many of the blockages reported were in welfare. One local welfare department wanted to drop the Work Relief programs, which are the bulk of the General Relief program. State officials refused to let them. Another welfare office wanted to raise General Relief standards and benefits so they would be the same as those for Aid for Dependent Children. State officials refused to allow this. Apparently, the policy of state officials is that General Relief is to remain essentially as is.

Elsewhere, a welfare department wanted to make what it felt were improvements in the family planning services it offered. One clientele group put up such a fuss that the proposed improvements were dropped. In another city, the county wanted to drop the General Relief program. A clientele group went to court and won a judgment ordering the county to continue the program. In a third city, the groups forced the organization to hold up a class action suit and to notify each welfare recipient individually so each could file a protest with the welfare department.

Dealing with clientele groups is necessary and desirable but not always easy for the organization. A welfare administrator related the following story
as an example.

One welfare rights group criticized us for calling recipients by name for the interviews. The group said it was too embarrassing for a client to have his or her name called out loud in front of so many people. So we gave recipients numbers, and called out the numbers. Another welfare rights group complained that using numbers was too impersonal. So we dropped the numbers and went back to calling out the names.

Speaking at a more general level, the administrator said rather thoughtfully:

Their (clientele groups') demands often are in violation of state regulations, and they can't see it. . . . Sometimes we have more contact with them than I'd like.

Federal officials were less active in welfare than were clientele groups. In one city, federal officials blocked plans of the welfare department to add several questions to the forms used to determine the applicant's eligibility for welfare benefits. Federal officials also stopped the same department from implementing a policy of not taking and processing claims of individuals who were obviously ineligible. Federal officials ruled that the local organization had to take and process all claims, period.
RELOCATION. Very little innovation-prevention was reported in relocation. State officials would not let one local relocation office make advance payments (down payments) for displaced renters who wanted to buy homes. Elsewhere, a relocation bureau wanted to use the local legal aid society to help displacees transfer their property titles. The bureau was informed, though, that by law the legal aid society could not take that kind of case. The bureau then had to hire private attorneys to do the work.

By and large, most relocation administrators reported few or no instances of innovation-prevention.

VOCATIONAL EDUCATION. Vo-ed is an innovative policy area, and, not too surprisingly, there are some conflicts over innovative proposals. As mentioned earlier in the chapter, while virtually every administrator stressed that relations with state officials were cordial, many also reported an almost endless stream of "cordial conflicts" over vocational education. It should be noted that state officials, who hold most of the purse strings, appeared to win most of the conflicts.
One local vo-ed organization felt 3-3½ hours per week was enough classtime for many courses. State officials insisted that 4½ hours per week was necessary, and that they would withhold full reimbursement if the local vo-ed organization went to 3-3½ hours. The hours were kept at 4½ per week. Other administrators reported squabbles with state officials not only over hours but over the content of courses as well.

Advisory groups in different cities demonstrated to local vo-ed officials that there was no need for some of the programs the officials were proposing. In one city, vo-ed officials were considering a training program for telecommunications work. Advisory board members were able to show that the local telephone company offered its own training program, and that the school system would be merely duplicating the telephone company's program. Since one of vo-ed's functions is to offer programs not available elsewhere, the vo-ed officials dropped the proposal.

Elsewhere, vo-ed officials were considering adding two aviation programs to the curriculum. Advisory board members who worked in the aircraft industry pointed out that their industry was suffering
from lots of layoffs at the present time, and that jobs for vo-ed graduates in aviation would be scarce. The organization then dropped the proposal.

All in all, instances of innovation-prevention were not especially plentiful in any policy area. As discussed at length in chapter 3, the scarcity of instances is probably due more to the law of anticipated reactions than to any lack of interest on the part of outside actors. The law of anticipated reactions may be especially hard at work in the case of federal officials, who provide funding for most of the organizations studied.

As for state officials, in vocational education and welfare, they are more involved than any other actor in supervising the day-to-day activities of local organizations. Thus they end up doing the lion's share of the blocking of innovations.

Clientele groups appear to be concentrating their relatively meager fiscal and manpower resources on extra-organizational matters, and thus were able to be a bit more active in innovation-prevention than was originally hypothesized.
Intra- and Extra- Organizational Innovation: Which Interests Each Actor More?

This chapter and the preceding one have examined three facets of intra- and extra-organizational innovation. The extent to which each actor participates in each type of innovation has been explored. At this point, it would be worthwhile to gather much of the data together and use it to test various hypotheses concerning each actor's relative interest in each type of innovation.

Clientele groups are relatively impoverished actors. They are not backed by tax dollars, and their staffs, usually volunteer, may be small in number and poorly trained. Hence they must concentrate their limited resources where the potential payoff seems the greatest. Since extra-organizational matters affect them much more directly than do intra-organizational matters, it was hypothesized:

H7 Clientele groups will be more active in the area of extra-organizational innovation than in the area of intra-organizational innovation.

The data confirmed the hypothesis. Clientele groups did indeed show a preference for participation in extra-organizational innovation.
Considering the often semi-organized, semi-chaotic state of clientele groups, and their usual lack of sufficient funding, the extent of their participation in extra-organizational innovation is nothing short of remarkable. Proportionally speaking, they have probably achieved more with their resources than any other actor studied.

It was anticipated that the other actors would not share clientele groups' enthusiasm for extra-organizational innovation. Organization staffs were expected to have a preference for intra-organizational innovation because the staff lives with intra-organizational problems more intimately than any other actor in the study. Federal officials, state officials, professional associations and other local officials were also expected to be more active in intra-organizational innovation.
than in extra-organizational innovation. It was thought that intra-organizational innovation offered those actors fewer risks than extra-organizational innovation and less exposure to public criticism if the innovations failed. For these reasons, it was hypothesized that:

H8 Federal officials, state officials, professional associations, the organization's staff and other local officials will be more active in the area of intra-organizational innovation than in the area of extra-organizational innovation.

The behavior of federal officials varied from what was anticipated. They were far more active in extra-organizational innovation than in intra-organizational innovation. Apparently the risks of failure were not sufficient to deter them from participation in extra-organizational innovation on a regular basis.

Table 4.15

<table>
<thead>
<tr>
<th></th>
<th>Intra-organizational</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Innovations</td>
<td>2</td>
<td>19</td>
</tr>
<tr>
<td>Innovative Proposals</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Innovation-Prevention</td>
<td>0/6</td>
<td>2/20</td>
</tr>
</tbody>
</table>
What is interesting about the extra-organizational innovation behavior of federal officials is that, despite all the expertise and funding they bring to a program, they were reported to be only slightly more active than clientele groups. Of course, as noted in tables 4.7, 4.8 and 4.9, federal officials do participate much, much more in the programmatic and fundamental/structural facets of innovation than do clientele groups. Also, the law of anticipated reactions may be working so much in favor of federal officials that the need for overt intervention on their part may be greatly reduced. By contrast, the law of anticipated reactions may not work as well for clientele groups. Hence they may need to make direct contact with the organization to have an influence upon the organization's decision-making processes.

Like federal officials, state officials were not frightened off by the risks attendant to extra-organizational innovation. State officials participated as follows:
Table 4.16

<table>
<thead>
<tr>
<th></th>
<th>Intra-organizational</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Innovations</td>
<td>5</td>
<td>28</td>
</tr>
<tr>
<td>Innovative Proposals</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Innovation-Prevention</td>
<td>$\frac{4}{16}$</td>
<td>$\frac{10}{43}$</td>
</tr>
</tbody>
</table>

As the figures suggest, state officials were at least moderately active in each type of innovation. This may be due to the role in the grant-in-aid process state officials play. In welfare and vocational education, state officials serve as the middlemen. It is not fiscally feasible for the organizations surveyed to operate a welfare or vo-ed program without state participation. In this way, state officials acquire some leverage over the operations of the local organization.

More leverage is acquired from above. In vocational education, federal officials seldom contact local vo-ed officials directly. Instead, they pass their suggestions and mandates on to state officials, and expect them to relay the federal inputs to the local organizations. In welfare, as noted earlier, state mandates are often intended to
complement federal mandates. Thus state officials have numerous occasions to contact local organizations for the purpose of influencing their operations.

Had state legislatures not been so ruraly dominated a generation ago, state officials might have been dealt a larger hand to play in urban redevelopment and relocation. As it is, state officials serve as middlemen in two of the three policy areas studied, and the figures suggest state officials do use this position extensively to affect the behavior of local organizations in an innovative direction.

Participation by professional associations was the virtual antithesis of that by state officials. While state officials participated heavily in two of the three areas, professional associations hardly participated at all in any policy area. In fact, participation by professional associations in each type of innovation was so slight that no conclusions about the hypothesized preference ought to be drawn. The data on professional associations' participation is given on the next page.
Table 4.17

<table>
<thead>
<tr>
<th></th>
<th>Intra-organizational</th>
<th>Extra-organizational</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovations</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Innovative Proposals</td>
<td>$\frac{1}{4}$</td>
<td>$\frac{1}{1}$</td>
</tr>
</tbody>
</table>

As discussed briefly in chapter 3, respondents saw lobbying as the main function of professional associations. Almost every interviewee stressed that his or her professional association did not involve itself directly in the processes of innovation. Different administrators had different explanations why their professional associations did not become directly involved in innovation. One vo-ed administrator argued:

No, professional associations don't get directly involved. Suppose you wanted to buy a car. It's your money. You're going to get the car you want, right? And you'd resent anyone from the outside telling you what to buy. It's the same thing here.

Another reason for the lack of direct participation by professional associations in the processes of innovation is that many innovations are not readily transferable from one organization to another. If innovations were readily transferable, then professional associations could easily encourage
diffusion of innovations to its members. However, as Everett M. Rogers argued, and was partially quoted in chapter 1, the processes of innovation are not so simple.

In actuality, many innovations go through extensive revision in the process of their adoption and implementation within the organization. In an extreme case, the innovation may almost be "re-invented" by the organization. Thus "innovation" in an organization may often amount to "re-inventing the wheel." (1975: 21-22)

One relocation official put the same idea into a different perspective. She commented:

"We don't have much contact with professional associations. Besides, ideas other cities are implementing seldom are transferable to ---(name of city). Conditions are just not similar enough most of the time.

Another relocation official argued that while other cities may be implementing different ideas, sometimes those ideas may not be much better or much worse than the things his own department was doing. Hence there would be little incentive to adopt the methods used by other cities. Talking about interacting with other redevelopment officials at a convention, he said:

"No, you really can't pick up much that's new at a convention. Often it's a case of "we boil ours, you fry yours in oil." The differences are there, but there is really little you would want to take with you and apply to your operation."
Thus professional associations played little direct role in the innovation processes of the organizations studied. Professional associations functioned mainly as effective lobbyists, and the interviewees regarded that as a more than adequate contribution to the progress of the policy area.

While professional associations participated but little in intra- or extra-organizational innovation, organization staffs were quite active in both. A preference for intra-organizational innovation for staffs was hypothesized. The table below suggests that the hypothesis was not confirmed. The figures in the table, though, need a bit of explanation and interpretation.

<table>
<thead>
<tr>
<th></th>
<th>Intra-organizational</th>
<th>Extra-organizational</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovations</td>
<td>22</td>
<td>30</td>
</tr>
<tr>
<td>Innovative Proposals</td>
<td>(\frac{2}{24})</td>
<td>(\frac{1}{31})</td>
</tr>
</tbody>
</table>

Organization staffs did participate extensively in intra-organization innovation (24 innovative actions). Their participation in extra-organizational innovation, while greater (31 innovative actions), was due to the
disproportionate efforts of vo-ed staffs. Twenty-five of the thirty-one extra-organizational innovative actions came from vo-ed staffs. Only six were generated by relocation and welfare staffs combined. Thus it can be said that relocation and welfare staffs showed a preference for intra-organizational innovation, while vo-ed staffs showed a preference for extra-organizational innovation. In effect, the hypothesis was confirmed for two of the policy areas, and not confirmed for the other.

The last actor, local officials outside the organization, played a moderate to slight role in innovation. Their level of participation in either type was not especially great. Hence, although they showed a preference for extra-organizational innovation, perhaps not too much should be made of that preference.

Table 4.19

<table>
<thead>
<tr>
<th></th>
<th>Intra-organizational</th>
<th>Extra-organizational</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovations</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Innovative Proposals</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Innovation-Prevention</td>
<td>(\frac{2}{2})</td>
<td>(\frac{1}{11})</td>
</tr>
</tbody>
</table>
As was indicated at various places in this chapter, many interviewees said that their organizations had very limited contacts with other local officials. Since the level of interaction was not high, perhaps it is not surprising that participation in innovation by other local officials was also limited.

Combining all sub-types or facets of intra- and extra-organizational innovation, the following summary picture of participation in innovation emerges. It is interesting to note that the two actors with the most reported innovations were the only actors to be extensively involved in both types of innovation. Not too surprising also is that the two actors with the most reported innovations were the actors most heavily involved in the day-to-day administration of the programs in the three policy areas.
Table 4.20

<table>
<thead>
<tr>
<th>Actor</th>
<th>Intra-organizational</th>
<th>Extra-organizational</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State officials</td>
<td>16</td>
<td>43</td>
<td>59</td>
</tr>
<tr>
<td>Organization staff</td>
<td>24</td>
<td>31</td>
<td>55</td>
</tr>
<tr>
<td>Federal officials</td>
<td>6</td>
<td>28</td>
<td>34</td>
</tr>
<tr>
<td>Clientele groups</td>
<td>2</td>
<td>23</td>
<td>25</td>
</tr>
<tr>
<td>Other local officials</td>
<td>2</td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td>Professional associations</td>
<td>4</td>
<td>1</td>
<td>5</td>
</tr>
</tbody>
</table>

Policy Areas And Innovations:
How Much Innovation Is Enough?

As the preceding pages and tables have made clear, innovations are not evenly distributed throughout the policy areas studied. In fact, the distribution is quite uneven.
Table 4.21

<table>
<thead>
<tr>
<th>Vocational Education</th>
<th>Welfare</th>
<th>Relocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovations</td>
<td>47</td>
<td>32</td>
</tr>
<tr>
<td>Innovative Proposals</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Innovation-Prevention</td>
<td>(\frac{8}{61})</td>
<td>(\frac{8}{48})</td>
</tr>
</tbody>
</table>

Of the organizations studied, vocational education organizations seem to be in the best shape. The problems they face, as discussed in chapter 3, are serious but lack the desperate urgency of those faced by welfare officials. Also, vo-ed gave numerous indications of being the most innovation-oriented of all the policy areas examined. As Table 4.21 indicates, more instances of innovation were reported in vo-ed than in either of the other two policy areas.

Moreover, a large fraction of the innovations in vocational education were programmatic in nature. This suggest that the actors in the area are not very reluctant to experiment with non-incremental innovations.

Aiding innovation in vo-ed are two factors discussed earlier in this chapter: the measurability of vo-ed programs, and the missionary zeal many vo-ed
staffs feel towards their work. The measurability makes gauging the success of a training program relatively easy. The zeal increases the chances that the programs will be designed and run in such a manner that the programs' graduates will be able to find jobs.

The missionary zeal also encourages experimentation and innovation. As Table 4.6 indicated, the number of innovations for vocational education organizations ranged from 7 to 16. By contrast, welfare's range was from 4 to 8, and relocation's was from 1 to 10. Thus the vo-ed organizations studied were generally far more involved in innovation than their counterparts in welfare and relocation.

In relocation, the problems are also not of the greatest magnitude. The truly crucial problems in relocation are largely in the past. At one time, some displacees actually had to burrow under sidewalks at night to keep warm (Cahn, et. al.: 1970: 15-16) because the local relocation bureau had done so little to find shelter for them. Thankfully, such neglect of displacees is now past history. Nirvana has not been reached in relocation, but the shocking abuses that occurred in a limited number of
projects during the 1950s and 1960s have been curbed almost completely.

With the passing of the crises—and the political battles those crises generated—has come a state of quietude. Most probably, a natural tendency to relax comes into play after so many years of controversy and conflict. Thus the level of innovation in relocation reported by administrators was for the most part not very great. To paraphrase the Hoffer quotation found at the beginning of this chapter, some of the relocation bureaus studied are not anxious to run ahead because they no longer have something to run from.

To be sure, one relocation organization reported heavy activity (10 innovations) and another reported moderate activity (6 innovations). The other three organizations, though, reported only five innovations between them, and relocation as a whole ended up with fewer innovations, innovative proposals and instances of innovation-prevention than any other policy area studied.

The relative inactivity of the relocation bureaus studied will probably suffice for the oh-so-tranquil present. However, if the level of innovation activity in relocation declines or remains the same
indefinitely, the relocation bureaus studied may be headed eventually into further crises. The present level of innovation activity is probably not nearly enough to handle adequately future changes in the environment with which relocation officials must deal. Thus the period of calm in relocation must remain just that: a period. If it continues indefinitely, trouble looms for displacees and administrators alike.

If relocation is an area where the battle is over, welfare is a policy area where the fighting probably has not yet even reached its peak. Welfare is virtually a policy area under siege. The welfare system works to the satisfaction of almost no one. Moreover, there is little, if any, consensus on what reforms ought to be undertaken. Thus, any actor who pushes a significant innovation is sticking his neck out, inviting someone somewhere to try to chop it off. Perhaps partially because of this aura of controversiality, the level of innovation activity in welfare reported by administrators was somewhat moderate. Moreover, many welfare innovations tended to be not very controversial or far-reaching. Thus, unless and until a consensus
develops on welfare reform, innovations in welfare, at least for the organizations studied, will probably continue to be middle-of-the-road propositions that may ameliorate the situation with fundamentally altering it.

Such innovations are, of course, are not sufficient to handle the root problems of welfare. Hence the present state of the welfare organizations studied is bleak, and the outlook for the future is no better.

Summary

Unlike intra-organizational innovations, extra-organizational innovations were plentiful. The obstacles that choked off intra-organizational innovations proved to be weak or non-existent barriers to extra-organizational innovation.

Extra-organizational innovation is often achieved by arm-twisting. Better than 60% of the innovations generated by outside actors were mandated. Federal officials were especially likely to issue mandates rather than make suggestions.
Innovations in welfare centered largely around welfare's function of redistributing income. Federal and state officials showed great concern over how local administrators determined claimants' eligibility.

Innovations in relocation tended to be incremental or programmatic in nature. Coercion was used a bit less often in relocation than in welfare. Relocation organizations reported a very wide spectrum of activity, ranging from almost no innovative actions to quite a few.

Vocational education was far and away the policy-area with the most innovations. Vo-ed organizations generated many programmatic innovations that were designed to help the organization fulfill its function of providing a benefit (certain types of job training) not found in the marketplace. Innovation in vocational education is aided by the fact that many local administrators are zealots and enthusiastic spokesmen for their policy area.

Innovative proposals were few in number but significant in terms of potential impact. Being promoted are such ideas as greater citizen participation in the decision-making phases of urban redevelopment and relocation. Most proposals were programmatic or structural/fundamental in nature.
Innovation-prevention was an area dominated, at least to a certain extent, by state officials. However, because of the law of anticipated reactions, it is difficult to know how many innovations "die aborning" because local officials just know some outside actor would quash the proposed innovation. The law of anticipated reactions may work especially well for federal officials who have very long purse strings.

Perhaps because of all the obstacles discussed in chapter 3, most actors showed a preference for extra-organizational innovation over intra-organizational innovation. State officials and organization staffs were the only actors reported by interviewees to be more than slightly involved in intra-organizational innovation. State officials and organization staffs were also reported to have generated the most innovation actions overall.

At least for the organizations studied, vocational education seems to be the policy area with the most manageable problems and the greatest capacity to innovate to handle those problems. Relocation's problems have ebbed. Unfortunately, the desire of some relocation officials to engage in innovation may have ebbed, too. The present level
of innovation activity in most of the relocation bureaus surveyed probably is not great enough to deal with future crises. Whether future crises occur, and whether they stir some relocation officials from their lethargy, remains to be seen.

Welfare is beloved by virtually no one, and has become the Guadalcanal of American politics. The problems are so enormous, and the controversies so great, that actors hesitate to innovate. Thus the innovations reported in welfare tend to be middle-of-the-road propositions that may alleviate some problems but will not solve welfare's most fundamental difficulties. The outlook, at least for the welfare organizations studied, is not good.
NOTES

1. This is, of course, possible with intra-organizational innovation. However, mandating adoption of an intra-organizational innovation is more difficult due to the influence of civil service and union agreements over various aspects of intra-organizational behavior. An outside actor may find, for example, that the organization cannot adopt its innovation because the organization's agreement with the employee unions specifically forbids it. In such a case, if the outside actor persisted, it would undoubtedly face a nasty court fight with the union and political pressures from the union's allies such as various elected public officials.

2. Fourteen states sued HEW, charging that the threat to cut off funds unless the reduction to 5% was achieved was unreasonable and unlawful. A federal district court ruled for the states, declaring that the formula for withholding funds was arbitrary, capricious and an abuse of discretion. HEW then announced it would be seeking a non-capricious, non-arbitrary method of cutting the payments that would be acceptable to the states. See Whitt Flora and Ken Bunting, "State Wins Welfare Fund Cutoff Battle," The Cincinnati Post, May 20, 1976. The court decision was handed down about a year after the welfare organizations surveyed had reinterviewed all of their AID recipients.

3. The benefits under the 1970 act do represent a substantial improvement over what was formerly available to displaceses. Interestingly enough, a debate has erupted over whether the provisions of the act offer benefits that are too generous. See Emanuel Gorland, "Relocation Inequities And Problems Are Emerging As Result Of 1970 Uniform Relocation Act," Journal of Housing, March 1972; Robert Hubbard, Lawrence Miller, "Relocation Act Defended," Journal of Housing, May 1972; Mrs. Ozzie Badal, "Relocation Act Defended," Journal of Housing, July 1972. The Hubbard, Miller and Badal communications are lengthy and well detailed letters to the editor of the Journal of Housing.
4. A questionnaire can be found in the appendix of this paper.

5. The reader may be interested in the following placement figures. These are for June 1975 graduates, Northwest Local School District (near Cincinnati). 65.6% found work in the field in which they were trained. 13.50% were working in nonrelated placement. 5.20% were continuing their education. 6.51% were unavailable for the job market. 5.59% were unemployed. Nationally, unemployment for 16 to 19-year-olds exceeds 19%. Northwest began its programs in 1972. Unemployment for graduates has never exceeded 8.59%, and has been as low as 2%. See Eugene C. Hust, "Job Prospects For Voc-Ed Graduates," The Cincinnati Enquirer, June 21, 1976. Figures for the Cincinnati public school programs indicate a slightly higher unemployment rate for June 1975 graduates (11%). See David Wells, "Vocational Training Graduates Face Unpromising Job Market," The Cincinnati Enquirer, June 6, 1976. The 11% unemployment rate is still considerably below the national average for that age group. Akron reported an unemployment rate of about 10%. See Conrad C. Ott, "Questions and Answers: Vocational Education," a pamphlet issued by the Akron public school system, revised March 1975.*

6. In Death of a Salesman, Willy Loman overhears one of his sons say Willy should have been a carpenter. Willy interrupts, "Even your grandfather was better than a carpenter." This attitude, unfortunately, appears to be widespread. Interestingly enough, it may be international in scope. In the Philippines, jeepney drivers let their fingernails grow to exaggerated lengths so people who see the drivers will know immediately that they do not do manual labor for a living. A jeepney is a Filipino type of public transportation vehicle. In the U. S. S. R., vocational education seems to be held in very low esteem. See Hedrick Smith, The Russians (New York: Quadrangle/The New York Times Book Co.: 1976), p. 157.

7. One of the administrators in the organization running the program admitted, "The state won't like that if they knew about it."
The same official indicated that conventions were useful in that they offered the opportunity to see how one's organization was doing in comparison with other organizations of similar size. "You can get a feel for how well you're doing compared to others," he said. "And sometimes you find out that the problems you're struggling to solve everyone else is struggling with just as hard."

REFERENCES


Chapter 5

External Pressures:
Fiscal Participation and Frequency of Contacts

He who moves not forward goes backward.
Johann Wolfgang Von Goethe.

Perhaps above all else, the preceding four chapters have indicated the importance of actors outside the organization in the processes of innovation. As has been discussed at length, many innovations originate outside the organization. The organization is then coaxed or coerced into accepting the innovation.

However interesting the findings thus far have been, they are a long way from being complete. For example, the nature of the external pressures upon the organization has not been explored in depth. Still unanswered are such questions as:

1) Do federal and state officials increase their contacts with local administrators as federal and...
state governments increase their fiscal commitment to locally run programs? 2) Does fiscal commitment induce federal and state officials to be active in the processes of innovation? 3) Lastly, do outside actors with lots of innovative ideas contact the organization more than actors with fewer innovations to offer or to mandate? These are the questions about outside actors and their role in innovation that this chapter will tackle.

Fiscal Contribution and Contacts:
Will I See You More Often If I Take More Money From You?

Programs in all three policy areas receive money from the state or federal government. Some receive funds from both. The size of the grant typically runs in the hundreds of thousands of dollars, if not millions. With such large sums of money going to each local organization, the question arises whether or not federal and state officials, who are supplying the funds, feel any need to have regularized contacts and communications with the local organizations. Just what is the relationship, if any, between fiscal commitment and frequency of contacts? In particular, when federal and state officials increase their degree of fiscal
commitment, do they also increase their contacts and communications with the local organization?

One could argue that federal and state officials have several good reasons for increasing contacts as their fiscal commitment to a local organization increases. First, they would wish to guard their increasingly large investment. The total cost of a grant-in-aid program can easily run in the hundreds of millions of dollars a year. Many state and federal officials undoubtedly feel a strong moral and legal obligation to see that the money is spent carefully. Moreover, congressmen and state legislators often react quite negatively if they learn grant-in-aid money has been squandered on frivolous or non-productive programs. Thus federal and state agencies have both internal and external pressures to watch their investments closely.

Second, being professionals, federal and state officials would want to bring their expertise to bear upon the problems faced in day-to-day administration by local officials. At times, local officials may welcome such participation. At other times, they may feel federal and state officials are meddling. Nonetheless, few federal and state officials seem
able to resist the temptation to offer professional guidance and counseling to the local counterparts. As a retired city manager, with more than 37 years experience, observed:

The hardest federal officials to deal with are the ones that used to be city managers. They figure they know your job even better than you do, and they aren't afraid to tell you how to do it. (Harrell: 1966)

Another way to state this point is to note that many, if not most, state and federal officials realize that providing funding is not enough to guarantee program success. Mailing some local agency a check for X millions of dollars every six months merely helps fund the program. It does not guarantee good program implementation.

A third reason is that, without some supervision, local officials may run the programs contrary to the provisions of federal or state law. Local officials have been known to devise "innovative interpretations" of federal or state law to enable themselves to use the grant money as they alone see fit. Writing about the Elementary and Secondary Education Act of 1965, van Horn and Van Meter noted the following ingenuous interpretation of one section of that act by a recipient agency.
While the Title I formula for the allocation of federal funds to the disadvantaged was precise, the types of programs which would qualify were not outlined in the original statute or the early regulations developed by the U. S. Office of Education (USOE). Wide discretion was delegated to state and local education agencies to determine their own approaches for aiding educationally deprived children. According to one federal program officer, at least one state defined a "disadvantaged" student as one lacking art, music and physical education skills. It tested students in the state's schools and found nearly all to be "disadvantaged," using these criteria of "needs assessment." Thus, whatever the merit of this action, the state provided general aid, contravening the legislative purpose of the program (1975: 16).

Another possibility is that legislative intent may be so unclear to local administrators that they do not know what is and is not permissible behavior. In such cases, they may earnestly desire increased contacts with federal or state officials who may be able to clarify matters somewhat. An interesting side point is that while they may desire it, they do not always get it. For one reason or another, federal and state officials may be unwilling or unable to commit themselves to a position. Commenting on the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Lawrence Miller observed:
HUD is long behind in its issuance of policy determinations... too long. But this administrative gap was not caused by the new law. Those of us who go back any appreciable time know the inexcusable time lags from the very beginning of any changes.

Part of the present problem is that HUD has not accepted the new highway act concept and was caught flat-footed on January 2, 1971 (ed. note: the day the 1970 act became effective). Witness consolidated regulations on September 10, 1970 with instructions issued three months after the new act invalidated them; witness the Comptroller General's opinion in November 1971, 11 months after enactment of the act, reversing HUD's prior rulings; witness, almost a year and a half after enactment of the bill, basic decisions are still to be made (1972: 214-5).

A fourth reason for increasing contacts is that as fiscal involvement increases, so does complexity, and so does the need for accurate communication. However, communication is a very convoluted process in a grant-in-aid program. Ideas must be communicated first throughout the outside organization, and not just to a few top level employees but to all employees who have something to do with the program in question. This could mean dozens of employees in four or more divisions of the organization. Then the information or policy, once it is formulated by those involved, must be communicated to the top level administrators of the local implementing organization. There it will have to be circulated
to the middle and lower levels by the top level administrators, who, of course, were not privy to the private discussions that preceded the issuance of the information or policy and hence had no part in its formulation. Thus armed with such limited understanding of the information or policy, top local administrators must nonetheless communicate it to middle and lower echelon members of the local organization.

Also, they must attempt to answer any questions the middle and lower ranks might have about the communication from the outside organization. Questions from middle and lower ranks then often prompt top administrators to contact the outside organization to get clarification of the communication. Administrators in the outside organization may then have to reconfer among themselves to determine what constitutes suitable responses. Those responses are communicated back to the local administrators, who then disseminate the responses among middle and lower level personnel, where the questioning and challenging may begin afresh.

The possibilities for communicating misinformation in this process are obviously endless. In his landmark work on serial communication in organizations,
William V. Haney noted an abundance of factors which could serve to garble the communicative process: 1) Details can become omitted, altered or added. 2) Communicators often forget that words can be used in many ways. The meaning of the word the communicator had in mind may not be the one the recipient thinks of. The 500 most commonly used words in our language, for instance, on the average have 28 usages per word. 3) Communicators can intend one denotation of a word or a phrase while the receiver interprets another, or the sender can intend one connotation while the receiver interprets another. The possibilities here are multiple. 4) Lastly, the sender of the message may decide to simplify the message or alter it out of a desire to make the conveyance of the message as pleasant and/or painless as possible for the sender (1963: 150-165).

Because of all these possible causes of distortion, which the grant-in-aid process may even exacerbate, federal and state officials, just to avoid chaotic situations, may want to step up contacts as they increase fiscal commitment. With all this discussion in mind, it is hypothesized that:
The greater the percentage of fiscal costs absorbed by a level of government, the more frequent will be its contacts with the organization.

For H9, all relocation organizations were able to furnish the necessary fiscal data. Four of the five welfare organizations were also able to supply the necessary information. Unfortunately, none of the vocational education organizations were able to state how much of their funding came from the federal government as opposed to the state government. All five vo-ed organizations could give only a lump federal-state figure, which, of course, was of no value for testing the hypothesis. As one vocational education administrator explained:

The money from the federal government goes directly to the state. The state then adds its contribution and gives it to us in a lump. The percentage of that money that is the federal contribution is known by the state, but it is a closely guarded secret. I have been trying for years to find out. They (state officials) always refuse to tell me.

Some of the responding organizations received support from both federal and state governments. Others received funds from only one. In all, nine organizations responded, and from those responses there were fourteen pairings between fiscal contribution and contacts (N=14).
With these data limitations\textsuperscript{2} in mind, it can be concluded that H9 was not confirmed. A Pearson's $r$ was calculated. It turned out to be quite low, $r = -0.05$. Since $r = 0.00$ indicates no relationship\textsuperscript{3} between variables, $r = -0.05$ suggests only a very weak negative correlation between fiscal commitment and frequency of contact. Thus it cannot be said that federal and state officials increase their contacts as they increase their fiscal support, at least the fiscal support for the organizations surveyed. Does this finding also indicate that federal and state officials do not perceive a need for good contacts and communication with local implementing organizations? Not at all. Rather, it suggests that contacts and communication are deemed so important that they are maximized even when fiscal commitment is slight or moderate. For example, for five local organizations, the state government was providing between 20\% and 45\% of the funding. State contacts did not vary with this wide range of fiscal support. Instead, state officials simply maintained frequent contacts with all five local organizations.
Thus federal and state officials do not step up their contacts as they step up their fiscal contribution. Rather, federal and state officials begin their contacts and communications at a high rate of frequency and simply maintain that high frequency rate as their level of fiscal contribution rises.

The question heading the section asked, "Will I See You More Often If I Take More Money From You?" The answer, at least for the organizations studied, is "No, because if you take any money from me at all, you'll be seeing me plenty."

Fiscal Participation And Innovation:
How Much Influence Does A Dollar Buy?

If contacts do not vary with fiscal commitment, what about participation in the processes of innovation? The literature does not directly address that question. It does, however, suggest that increases in fiscal participation and increases in participation in program operation generally go hand in hand. Martha Derthick's study of public assistance in Massachusetts clearly indicated that federal officials saw federal grants as
... a means of access to state and local programs and the steady substitution of federally aided programs for general relief thus meant more opportunity to influence state and local action. Whereas most state and local program activity in 1936 was beyond their reach, by 1966 very little was ... Federal influence has had a profound effect on the Massachusetts public assistance program ... Assistance had been liberalized. ... Grants had been standardized. ... Both policy making and administration had been bureaucratized ...

(1970: 70, 193)

In their study of the diffusion of four technical innovations among state agencies, Foller, Menzel and Engel found that at times outside fiscal participation can raise the level of influence to that of a virtual veto power. Concerning adoption of innovative air pollution equipment, they wrote:

In some instances, the (federal) EPA review may make the difference between the adoption or nonadoption of a technology. Air telemetry is an example. State officials may be convinced that their program would be strengthened by the installation of an air telemetry system, which is generally regarded as a "big" investment. How, then, might it be financed? The state may request federal funds for a system, but whether it obtains the funds depends on the review accorded the request by EPA officials. Even if an agency does not seek 100 percent federal funding, a rejection by EPA could prevent adoption (1974: 100).

In their recent work, Van Meter and Van Horn concluded:

research has shown that the amount of federal influence over aspects of a program
increases as the percentage of federal contribution rises (1975: 468).

Thus the literature suggests a correlation between fiscal participation and participation in program operation. Moreover, the participation in program is often in an innovative direction.

Still, what is needed to complement the literature is greater exploration of the interplay between fiscal participation and program participation. In particular, the interplay between fiscal commitment and participation in innovation needs exploration.

To delve into the possible relationship between fiscal commitment and participation in innovation, in this study of grant-in-aid programs in Ohio, it was hypothesized that:

H10 The greater the percentage of fiscal costs absorbed by a level of government, the more active it will be as a source of innovation.

H11 The greater the percentage of fiscal costs absorbed by a level of government, the more active it will be as a proponent of innovative proposals.

H12 The greater the percentage of fiscal costs absorbed by a level of government, the more active it will be in preventing the organization from adopting innovations the organization wants to adopt.
For each of the three hypotheses, a Pearson's $r$ was calculated. In each case, the $r$ indicated that one could not conclude that the hypothesis had been confirmed. The hypotheses will be discussed in order of presentation.

Table 5.1

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Pearson's $r$</th>
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<tr>
<td>H10</td>
<td>-.17</td>
</tr>
<tr>
<td>H11</td>
<td>-.41</td>
</tr>
<tr>
<td>H12</td>
<td>-.55</td>
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As the figure above ($r= -.17$) indicates, the correlation between participation in innovation and fiscal costs (H10) was poor. Some federal and state agencies providing 75%--100% of an organization's funding were reported by the local organization to have been the source of none or only one or two innovations. By contrast, some federal and state agencies providing 40%--54% of the funds were the source of four to six innovations.

While separate correlation figures for state and federal agencies were not calculated, a study of the raw numbers suggests both contributed to the low $r$ achieved. It was not the case that state officials were dragging down a high correlation figure
achieved by federal officials, or vice versa.

Explaining why the hypothesis (H10) was not confirmed involves analyzing the federal and state agencies involved. One explanation for the behavior uncovered may lie in the attitudes of administrators in the state and federal agencies providing the funding for the local organizations studied. Some may take their oversight or monitoring function quite seriously. Others may have a more lenient attitude towards local expenditures of grant-in-aid money. Perhaps as long as no local official runs off to Brazil with federal or state funds, some federal and state officials may be content.

The variety of attitudes was sketched out especially well in one relocation interview. The local administrators discussed at length the constant oversight they received from state officials. Oddly enough, the state was providing a smaller contribution to the local relocation budget than was the federal government, yet state officials were far, far more actively involved in the operation of the local organization. Furthermore, no other relocation office reported such intense state participation. When asked for an explanation, one of the local administrators laughed, and replied:
Oh, that's due to [man's name]. He's a real hardnose. I'm sure you haven't come across anything in relocation like our situation anywhere else in the state. I don't think anyone else is as interested as he is in making sure all the "t"s get crossed and all the "i"s get dotted. I doubt anyone else runs a district office the way he does.

Also, perhaps the environment of the monitoring federal and/or state agency has more to do with its propensity to participate in innovation than does its level of fiscal contribution to the programs of a local organization. Anthony Downs argued that special incentives are necessary if an organization is to be innovative. Only with special incentives can an organization overcome its natural tendencies towards inertia, routinization and inflexibility (1967: 203-4). Perhaps the state and federal agencies that vigorously promote innovation to local organizations offer those incentives to their employees. Perhaps the ones that do little coaxing or coercing of local administrators offer their employees fewer incentives to innovate.

The organizational innovation literature discussed in chapter 1 stressed the importance of the internal variables of the implementing organization. However, in terms of grant-in-aid programs, the internal characteristics of outside organizations
may be more determinative of the processes of innovation than the internal characteristics of the local governmental organization that is the implementing agency. Since so many innovations are coercive in nature, a case may be made along these lines.

Then again, the raw data indicates that the outside actors did not deal with local organizations uniformly. For instance, all of the county welfare organizations were dealing with the same state department of public welfare. Yet that state welfare department was reported by local welfare organizations to be the source of from two to four innovations. Federal participation varied even more. It is thought that all welfare offices were dealing with the same federal HEW regional office. Yet that HEW office was reported by local welfare offices to be the source of no innovations for one local welfare office, one innovation for another, two innovations for two others and six innovations for still another local welfare department. Thus there is a tremendous variation in the number of innovations generated by each outside actor.
To oversimplify a bit, if the outside actor's internal characteristics determined the number of innovations it was the source of, then each outside actor would be the source of just about the same number of innovations for each of its local client organizations. A federal HEW regional office, for example, might coax or coerce each local welfare organization into accepting, say, two or three innovations. However, since such uniformity is lacking, it is quite difficult to assume that the outside actors' internal characteristics largely determine their innovative behavior.

The best and simplest explanation may be that federal and state officials feel that a fiscal contribution in any amount entitles them to play the game of innovation at any rate they themselves choose. The notion of them increasing participation as fiscal contribution rises implies that at lower levels of fiscal contribution, federal and state officials will feel somewhat restrained, and accordingly will offer only a few suggestions or mandates. Furthermore, the hypothesis assumes that as the fiscal commitment rises, federal and state officials will feel less and less restrained and will hence contribute more and more heavily to the processes
of innovation. For the organizations studied, neither assumption is correct.

Instead, state and federal participation in innovation begins when the first dollar of outside aid is accepted by the local implementing organization. It then varies according to the interests and limitations of the outside organization, as well as with the outside organization's assessment of the caliber of the local organization. Strangely enough, there is some evidence to suggest that the best run local organizations get the most oversight and innovative input, and the worst run get the least (GAO: 1964; Cahn, et. al.: 1970; Shay: 1971: 60). This somewhat topsy-turvy situation may be due in part to human nature. It is much, much easier for federal and state officials to work with a professionalized, well-trained, well-staffed local organization. The employees of such a local agency would be familiar with the technical terminology used by federal or state officials, and most probably, would possess, thanks to their training and experience, some degree of professionalism and professional pride. Dealing with such an organization is usually, if not always, pleasant and productive.
By contrast, in a poorly run organization, professional pride is a joke, promotion may be on the basis of personal relationships rather than expertise and accomplishment, and genuine disincentives to do a good job may exist. Conscientious employees may be discouraged from doing careful work by their peers who do not wish their own lackluster performances to be shown up. The chief goals of such an organization may be increases in self-aggrandizement for the employees, coupled with an organizational performance just good enough not to attract the negative attention of the media.

Faced with such a local organization, federal and state officials may feel helpless to effect change. Consequently, trips to and contacts with such a poorly run local organization may be limited to routine communications or may even be repeatedly postponed, due to conveniently reoccurring matters that always seem to be "more pressing."

Thus the worst local agencies in need of the most outside help at innovation may get the least contact, while the best run and more pleasant to deal with may get the most innovative inputs from federal and state officials. Along these lines, it should be noted that the two relocation offices
in the study that appeared to be the most professional and best run also reported the greatest number of innovative contacts with federal officials. People naturally gravitate to more pleasant situations, and federal and state officials are as human as the rest of us.

Concerning innovative proposals and fiscal contribution (H11), the Pearson's r (-.41) suggests disconfirmation of the hypothesis. Since federal and state officials apparently feel any size contribution entitles them to participate in innovation at any rate they choose, undoubtedly this feeling extends to participation as a proponent of innovative proposals as well. Thus they did not step up their participation in innovation proposal as—they increased their fiscal commitment.

As the reader may recall from chapters 3 and 4, innovative proposals were scarce. In five of the fourteen cases of fiscal participation, no proposals were made. Moreover, the most any one organization reported receiving was two proposals. As the negative correlation statistic suggests, those making a smaller fiscal contribution sometimes were more active as proponents of innovative proposals.
However, due to the scarcity of proposals, not too much should be made of this point.

Concerning innovation-prevention and fiscal contribution (H12), the Pearson’s r (-.55) suggests that the hypothesis is not confirmed. The disconfirmation of this hypothesis nonetheless must be approached cautiously. Twelve of the fourteen pairings between innovation-prevention and fiscal contribution involved no instances of innovation-prevention.

In relocation, for example, the federal government provided the five local organizations with between 60%–100% of their funding. Yet no instances of blockages by federal officials were reported. Thus what may be at work here is not so much a lack of positive correlation between fiscal contribution and innovation-prevention, but rather a more fundamental lack of interest in innovation-prevention altogether.

Or, more accurately, what may be at work here is the more fundamental lack of need to engage in innovation-prevention. As noted in earlier chapters, many interviewees indicated they never had any innovations blocked because they were always very careful to make sure their actions were in accordance with regulations found in manuals issued
by federal and state officials. Thus federal and state officials need to do little blocking because local administrators are screening out many objectionable innovations before state and federal officials even know any changes are being considered. One can easily imagine a local administrator in any of the policy fields studied saying at a staff conference, "Yes, that's an interesting idea, but the feds will never buy it." One can also imagine, in many cases, that that particular comment ends the discussion of the innovative proposal. Thus federal and state officials do not have to utter the word "No" for them to have an inhibiting effect on innovative proposals generated by local organizations. Sometimes mailing out a sheaf of regulations will do the job just as nicely.

Overall, it can be concluded, at least for the organizations studied, that fiscal commitment does induce federal and state officials to be active in the processes of innovation. However, the fact that a fiscal commitment is made is the salient variable. The size of the commitment is not so important. The commitment itself is the carte blanche to participate in innovation.
Moreover, once these dues are paid, federal and state officials may feel no need to pay increasingly higher dues if they decide to participate more heavily in innovation. In sum, federal and state participation may vary according to the interests and limitations of federal and state agencies, and according to their perceptions of the degree of professionalism of the local organizations. At least for the organizations surveyed, federal and state participation does not vary with the size of their fiscal contribution.

Frequency of Contacts and Innovation:
How Much Nagging Is Needed To Induce Innovation?

As the previous pages have indicated, communication in grant-in-aid programs is vital. It becomes especially vital when an innovative phase is entered. The problems involved in conveying information accurately have been discussed. An additional problem is that change of any sort tends to upset people who either resist change because of some psychological fear of the unknown or some deep psychological commitment to the present (Hoffer: 1963, 1964), or because they perceive themselves or some policy they value as losing out if the innovation is adopted.
This upset is especially likely to occur if the innovation causes a redistribution of goods or services. In that case, those perceiving themselves as the losers in the changeover may complain vociferously.

Complicating the situation is the fact that local administrators must deal with not only federal and state officials, but with clientele groups and other local officials as well. There are simply a lot of people who could possibly be upset by any change. Lastly, one should recall what was pointed out in chapter 3: an organization staff is not monolithic. An innovation may be opposed by a large part of the staff, and that part may do its best to sabotage the undertaking (Scheff: 1961).

Thus, because all these possibilities exist, a case can be made that communication and innovation should be intertwined. The literature suggests as much. Martha Derthick wrote:

Typically they (federal officials) are in the position of having made a demarche. Negotiations become active when a new federal condition is promulgated or an old one is reinterpreted, or when a federal administrative review has revealed a defect in the state's administration. . . . Negotiations over a single issue may go on steadily for several years and intermittently for decades. . . . (1970: 209)
feller, Menzel and Engel analyzed the role of external change agents in the process of adoption of technological innovations. They found that external change agents "facilitate the adoption of new technology by public agencies," and that the quality and frequency of the contacts between government agencies and the entrepreneurs has a great deal to do with an agency's decision to adopt or not to adopt an innovation (1974: 127, 132-134). Anthony Downs also suggested the need for extensive on-the-record and off-the-record inter- and intra-organizational contacts when innovations are undertaken (1967: 115-6).

With this discussion in mind, the following relationship between contact and innovation was hypothesized:

H13 The more active the outside actor is as a source of innovation, the more frequent will be its contacts with the organization.

Since there were five outside actors and fifteen organizations, there were seventy-five pairings (N=75). A Pearson's r was calculated, and the correlation between contact and innovation was moderate. r = .46. In light of the findings of chapter 4, a r of .46 makes good sense. Chapter 4
showed that about 60% of the innovations from the outside were mandated. The rest were suggested. Judging from the strength of the correlation, it can be reasonably assumed that one of the two types of innovation does not require repeated contacts, while the other does. As a result of the interplay between the type that does not need repeated contacts with the type that does, the r emerges at a moderate level. But which type needs frequent contacts, and which does not?

The suggested innovation may be the type that needs frequent contacts while the mandated does not. The mandated, or coercive, innovation may not need repeated contacts because federal and state officials generate most of them (about 75%), and federal and state officials have the power to audit the books of the local organization. Audits are justly famous for turning up instances of noncompliance. Since almost every activity costs money, it is difficult to violate state or federal mandates and not have those violations show up on the books. For example, suppose the federal government mandates that a local organization stop doing X and start doing Y. The local organization, though, continues doing X.
Six months later, a federal auditor comes across lots and lots of receipts for activities related to X, and none for activities related to Y. At that point, the local organization may be in some trouble. The federal auditor may decide that, since the local organization was ordered to stop doing X, the federal government no longer has an obligation to reimburse the local organization for expenses related to X. Thus the federal auditor may perform an audit exception. That is, the auditor may tell the local organization that the federal government takes, in simplest terms, exception to X and it will not reimburse the local organization at all for any of the expenses incurring while doing X. Thus the local organization will have to foot all the bills related to X. Since most local organizations cannot afford anything like this, when a state or federal agency says, "Stop doing X and start doing Y," most local organizations tend to comply.\(^5\)

Thus, because of the power to audit, mandated innovations may not need frequent contacts. By contrast, suggested innovations may need repeated contacts. By definition, suggested innovations are not subject to audit exceptions. Moreover, many suggested innovations come from
outside actors, such as clientele groups, which lack the power to audit the local organization's books. Thus suggested innovations may need repeated contacts before the organization is willing to adopt the innovation.

Hence of the two types of innovation, one (suggested) may require lots of contacts, while the other (coercive or mandated) may require not quite so many. The interplay between the two types results, understandably enough, in a relationship between innovation and frequency of contacts that may be most accurately described as moderate.

Although the relationship between innovation and frequency of contacts (H13) proved to be moderate, the relationship between frequency of contacts and innovative proposals (H14) turned out to be less than moderate. A positive relationship between frequency of contacts and innovative proposals was hypothesized.

H14. The more active the outside actor is as a proponent of innovative proposals, the more frequent will be its contacts with the organization.

As with H13, there were seventy-five pairings (N=75). A Pearson's r was calculated. r = .24.

As the reader may recall from previous chapters,
both intra- and extra-organizational innovative proposals were a bit on the scarce side. In fact, many organizations reported having received a total of only two or three proposals from all outside actors. This illustrates a point that came across strongly in many interviews: innovation is a slow process. At any given moment, there are only a few proposals on the table before each organization. Innovation takes time, skill, patience and money—often lots and lots of money. Most knowledgeable outside actors realize this, and hence are selective in both the quantity and quality of the innovations they promote to the organization. Thus the number of proposals outstanding at any given time is not great.

At the same time, though, many organizations do have frequent contacts with one, two or even three outside actors. The combination of frequent contacts and few outstanding proposals naturally leads to a Pearson's r of less than moderate size.

All in all, the findings show that innovation is indeed a slow process. Rome was not made in a day, nor are organizations re-made in a day.
The last hypothesis to be discussed dealt with the relationship between contacts and innovation-prevention. For this hypothesis, there were sixty pairings (N=60). The reader may recall from the discussions of innovation blockage in chapters 3 and 4 that one of the outside actors, professional associations, was not included in the discussion of innovation-prevention. Professional associations were omitted because it would be very difficult for them to stop any of the organizations studied from adopting an innovation. Professional associations, at least for the organizations surveyed, do not wield that particular type of power or influence. Thus, since there are fifteen organizations and four remaining outside actors, the N is 60.

The relationship between innovation-prevention and contacts was hypothesized as follows:

H15 The more active the outside actor is in preventing the organization from adopting innovations the organization wants to adopt, the more frequent will be its contacts with the organization.

Once again, a Pearson's r was calculated. The correlation between the variables indicated a moderate relationship. r = .51. Like innovative proposals, instances of innovation blockage are
not common. This is so because very often, outside actors do not have to take overt action to block an innovation an organization wants to adopt. As was argued in connection with H12, many, many times an innovation will get barely past the discussion stage because the organization's administrators know that outside actors, such as federal and state officials, would never approve of the innovation. Thus many ideas "die aborning" and outside actors need not take direct action to prevent their implementation. The extent to which this anticipated negative reaction may be at work here is suggested by the following datum: in 20 of the 60 pairings, the organization reported both frequent contact with the outside actor and also reported that that particular outside actor had blocked no innovations at all. The frequent contacts may lead local administrators to know the predilections of the outside actors quite well. Thus, when the organization's staff proposes a change, the local administrators can make a rather good guess right away whether or not the outside actor will go along with the idea. If the anticipated answer is "No, they won't" it is reasonable to assume that in many cases the
innovation gets dropped there and then. Thus
the relationship between frequency of contact
and innovation-prevention is moderate. Also,
since local organizations often have frequent contacts
with clientele groups and other local officials;
both of whom have only a limited capacity to block
innovations, the moderate relationship between
frequency of contacts and innovation-prevention
is quite understandable.

The question heading the section asked, "How
Much Nagging Is Needed To Induce Innovation?" For
the organizations studied, the answer may be,
"If the innovation is suggested—quite a bit; if it
is coerced—maybe not very much. Whichever type
of innovation you have in mind, be well-fortified
with patience. The processes of innovation move
only slightly faster than the mills of the gods."

Summary and Conclusion

For the organizations studied, it can be said
that federal and state officials maintain frequent
contacts regardless of the level of fiscal contribu-
tion. Presumably, in these contacts federal and
state officials relay routine information, collect
quarterly or semi-annual reports from local organizations, and do the prescribed amount of auditing of local books. The frequency of contact does not rise if federal or state fiscal support rises, because federal and state contacts are initiated at a very high level of frequency anyway.

While routine contacts with virtually every local organization are standard, federal and state officials show more selectivity concerning contacting local organizations about innovations. Federal and state officials may initiate more innovative contacts with the more professionalized local organizations, and may initiate fewer innovative contacts with the less professionalized local organizations. Other variables affecting initiation of innovative contacts may be the interests and limitations of the state and federal agencies. One variable that did not notably affect federal and state participation in innovation was fiscal contribution to the local organization. The findings suggest that a fiscal commitment of any size is sufficient to give federal and state officials the right to participate fully in the processes of innovation.
Of the two types of innovation, the suggested type may require repeated contacts. Coercive innovations may require far fewer contacts.

Patience is necessary, though, regardless of which type of innovation one is studying. Discussion between local administrators and outside actors may go on for months, or even years or decades. Implementation then may require months of preparation and years of actual execution. Employees may have to be retrained, or new ones may have to be hired. If a budget crunch appears, the funds to do all this may vanish and the innovation may have to be shelved indefinitely. Finally, even if discussion and implementation go smoothly and quickly, it may be years before a societal-wide impact is made. Due to the uneven distribution of talent and funding across agencies, a decade or more may pass before any real fruits of the processes of innovation are noticeable. Then, too, one must remember that some problems are several generations in the building, and no innovation, no matter how clever, is going to eradicate them overnight.
NOTES

1. Admittedly, all of the reasons in this discussion overlap to a great extent. They are discussed separately so as to permit a fuller discourse on each. It was felt that communication in intergovernmental relations is important enough to justify spending several pages on it.

2. The limitations also apply to H10--H12 as well.


4. Since there were so many cases where there were no instances of innovation-prevention, perhaps the size of the r should be evaluated carefully as well.

5. Grudgingly, perhaps, but most local organizations probably will feel they have little choice. While the stress in the text is upon audit exceptions, federal and state officials have a variety to tools to use to prod local organizations into compliance. See Carl E. Van Horn and Donald S. Van Meter, "The Implementation Of Intergovernmental Policy," July 1975, to be published in *Public Policy-Making in a Federal System Volume III*, Sage Yearbooks in Politics and Public Policy, especially pages 17-20.
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Chapter 6

Conclusion

Now here, you see, it takes all the running you can do to keep in the same place. If you want to get somewhere else, you must run twice as fast as that.

Lewis Carroll

Throughout this study, conclusions have been built into each of the chapters. Accordingly, this chapter will not repeat most of what has been concluded. Rather, chapter 6 will discuss what overall impact the study may have upon the literature. The chapter will also discuss possible avenues for future research on organizational innovation in grant-in-aid programs. Thus the reader should not conclude that if something is not discussed in this chapter that it is unimportant. Many important conclusions will not be discussed here simply because they have been fully explored in a preceding chapter.
What Have We Learned?

Four interrelated findings present themselves now. The first conclusion is that coercive innovations are too important to ignore. As discussed in chapter 1, the literature focuses almost exclusively on voluntary innovation adoption. However, for the organizations surveyed, to focus only on those innovations they adopted voluntarily would be to miss out on many of the important innovations they did adopt. Thus this study suggests that the focus of the literature needs to be broadened to include coercive innovations.

Second, because so many innovations are coercive in nature, for the organizations studied, internal variables may be a bit less important than the literature suggests. As chapters 3 and 4 made clear, many, many innovations are forced upon the organization regardless of its internal characteristics. For example, the reader may recall the state-mandated welfare innovation that all county welfare organizations had to interview all ADC recipients. One local department interviewed 1/3, then quit, claiming it lacked the manpower to interview the remaining 2/3. In other words, the local department claimed
its internal characteristics were such that it was not able to implement the mandated innovation. The state's response was simple: You must interview the remaining 2/3. No allowances will be made for your manpower problems. In other words, the innovation had to be adopted, and was adopted, regardless of the organization's internal characteristics. Thus, while the organization's internal characteristics cannot be blithely tossed aside, they may not be as determinative as the literature implies. If an outside actor applies sufficient pressure, the organization's characteristics may be made pliant enough to accomplish almost any feat. Thus the outside pressure may be a lot more important than the internal characteristics of the organization.

The third conclusion has just been hinted at: Outside actors, at least for the organizations surveyed, may be a great deal more important than the literature suggests. Other than the Feller, Menzel and Engle study, the literature pays scant attention to outside actors. However, as this study suggests, outside actors can and do play an integral role in the processes of innovation. In fact, in some facets of innovation, outside actors can be
more heavily involved in innovation than the organization’s own staff. This is, of course, a conclusion that is not suggested by the literature. All in all, outside actors may not deserve the "benign neglect" they have been receiving from the literature.

Lastly, for the organizations surveyed, outside actors and even the organization staffs played a wide variety of roles, differing, in part, according to policy area. Each policy area studied had an intricate web of interrelationships between the organizations and the outside actors, as well as between the outside actors themselves. Much, but certainly not all, of the literature may be a bit too general in this regard. Not very much of the literature mentions the possibility that different policy areas might have vastly different webs of interactions and vastly different processes of innovation.

Where Do We Go From Here?

This was a systematic, exploratory study. Accordingly, follow-up studies on a bigger scale would be welcome. The technique of interviewing program administrators and their top aides proved to be quite sound. The questionnaire itself also worked
well. Interviewing the same level of administrators, and using the same questionnaire, one might be able to replicate the study on a multi-state basis. It would be interesting to compare and contrast the innovations generated by the actors in communities outside Ohio with those of the actors in Ohio. Since the most interesting grant-in-aid programs are usually in the larger cities, a follow-up study might be limited to those states containing several large cities. New York, Pennsylvania, and California are all possible sites.

An especially ambitious researcher might even want to study innovation in additional policy areas, such as public health or police protection. It would probably be best, though, to make sure all additional areas contained grant-in-aid programs. Comparing innovation in grant-in-aid programs to innovation in non-grant programs might be like comparing apples to door knobs.

In addition to the questions and hypotheses examined in this paper, a future researcher might want to tackle some or all of the following relationships. The suggested/coerced categories offer some intriguing possibilities for follow-up research. For example, concerning the behavior of outside actors,
what relationship, if any, is there between the suggested/coerced categories and the incremental, programmatic, and fundamental/structural sub-types of innovation? A follow-up study could work from these hypothesized relationships:

- incremental: suggested
- programmatic: coerced
- structural/fundamental: suggested

The data in this study suggest that outside actors reserved their coercive powers mostly for programmatic innovations. For incremental innovations, to speak very broadly, using coercion may, in some cases, amount to overkill. For structural/fundamental innovations, using coercion may stir up too much opposition. A subsequent study could explore these potential relationships more fully, and thus deepen our understanding of the contribution outside actors make to innovation in grant-in-aid programs.

A related areas for further study would be each actor's use of suggested and coerced innovation. A follow-up study could do two things: 1) Add to our understanding of each actor's proportional preferences for suggested and coerced innovation. 2) By
interviewing outside actors, the researcher may be able to learn more definitively why some actors rely more heavily on coerced innovations (or suggested innovations) than other actors. This study suggested answers for various actors, but extensive interviews with outside actors would add a great deal of richness and completeness to what has been indicated here about actor preferences.

Continuing with outside actors, federal officials and state officials played such large roles in innovation in grant-in-aid programs that their behavior deserves further study. In particular, their motivations for participation in innovation should be explored further. In chapter 5, it was written that:

Federal and state officials may initiate more innovative contacts with the more professionalized local organizations, and may initiate fewer innovative contacts with the less professionalized local organizations. Other variables affecting initiation of innovative contacts may be the interests and limitations of the state and federal agencies (p. 270).

There are at least three hypotheses implicit in this quotation, and each is worth exploring. However, operationalizing the variables, such as professionalization of the local organization,
probably will not be easy.

For example, the interviews conducted for this study indicated that state law and perhaps federal law as well specified educational and experience requirements for many, many positions in the local organization. Hence there was very, very little variation across the organizations surveyed in terms of educational and experiential qualifications for hiring and promotion. Thus two possible variables, the education and experience of the organization staff, looked more like constants than variables. Whether these would vary more if the organizations surveyed were located in more than one state remains to be seen.

More variation may exist concerning the interests and limitations of state and federal agencies, but these variables may also be hard to operationalize. Future researchers may want to try nonetheless. Interviews with state and federal officials may yield an intriguing set of complementary data.

The last set of suggestions for further research deals with another actor of crucial importance, the organization staff. An intriguing question comes to
mind: Does the organization staff's innovation activity rise and fall with any other variable? For example, might it rise and fall with the organization's budget? The following relationship is hypothesized:

Organizations with the most rapidly rising budgets will also have the staffs that generate the most innovations.

Whether or not this hypothesis will be confirmed is, of course, hard to predict. Just the opposite of what is hypothesized may emerge. Organizations with the most rapidly declining budgets may have the staffs that generate the most innovations. In such organizations, section heads may be innovating frantically in an effort to minimize the impact of budget cuts upon their respective sections.

However the relationship turns out, testing the hypothesis will not be easy. In the interviews for this study, budget figures were gotten, but were found to be most difficult to compare across policy areas or even inside policy areas. A layman might assume that all budgets are alike. They are not. Thus the figures released by different organizations are difficult to compare. Some budget-analyst skills may be necessary if one is to test
this hypothesis.

The organization’s response to coercion may offer another fruitful and intriguing area for further study. What methods, if any, can an organization employ to resist or even defeat a coercive innovation? One technique was suggested in this study by a welfare official: Write the outside actor and ask for clarification of the new policy. Clarification may not come for months. In the meantime, the local organization need not implement the new policy. This, of course, is not a foolproof suggestion, but it will work upon occasion.

However, at most it is only a delaying tactic. What tactics, if any, can a local organization employ to fight head-on a coercive innovation? How often, if ever, are local organizations successful in defeating an outside actor who wants to mandate their adoption of a particular innovation?

The whole area of organizational response to coerced innovation bristles with such interesting questions. Besides the ones just raised, these would also be worth pursuing. Do organizations in one policy area have a greater capacity to resist coercive innovation than organizations in another policy area? If so, why? If not, why not?
How often and in what contexts are outside actors most likely to employ the sanctions at their disposal? Which actors threaten and use which sanctions? When are the threats most credible? When are they not?

As the reader can see, the notion of exploring organizational response to coerced innovation leads to one interesting question after another. The whole area deserves a thorough study.

All in all, this paper has been a systematic, exploratory study of organizational innovation in grant-in-aid programs. It has shed new light on many aspects of innovation that were previously largely unexamined in the literature. It has not been, however, the final word on innovation. Much more research is needed, and the hypotheses and questions raised in this chapter offer some intriguing avenues for further study.
Chapter 7

Postscript:

Personal Reflections Concerning The Interviewees

When you come to the end, make a stop.

Lewis Carroll

This chapter will discuss important observations that do not fit neatly into any of the preceding analyses, and hence were reserved until now. Some are of a more personal nature, and, unlike the first six chapters, explicit references will be made to personal values. In addition, also unlike the first six chapters, the first person singular will be used throughout this chapter. Almost all of the observations are about the interviewees.

By and large, the administrators interviewed were impressive. The competence level seemed quite high. The range, in my judgment, ran from "competent" to "extremely competent." All interviewees showed intelligence, understanding of the extents and limitations of their power, a good grasp of the
problems and potentials of their policy area, a feel for intergovernmental diplomacy, and some savvy in how to work with subordinates. There was no one in the group about whom I had to wonder how he or she had risen so far in the organization.

As a group, the interviewees were well schooled. All had bachelor's degrees. Many also had M. A.'s.

A few of the interviewees were PhDs. One vocational education official had been an architect. After fourteen years in that field, he decided there were more satisfying lines of work for him, so he quit and went back to school. There he earned a B. A., M. A. and PhD in education. He then became a vo-ed administrator, and, from everything I could read and judge for myself, he is a very good administrator indeed.

The educational attainments of the administrators facilitated the interviewing process. Most understood what I was doing and why I was doing it with very little explanation from me being necessary. Two of the interviewees even told little anecdotes about their own experiences while interviewing public officials for their theses or dissertations.
The friendliness and cooperation of the administrators would be hard to overstate. One interviewee even offered to let me interview him at his home in the evening if that would be more convenient for me than coming to his office during the day.

Besides being friendly and courteous, I also found the administrators to be quite eager to talk about their work. At the end of one interview, I thanked the administrator for his time, as I always do, and, as I started to leave, he said, almost sadly, "I enjoyed it. I never have anyone to talk to about my work."

As a group, these administrators are highly trained, highly skilled and are dedicated to their work. Moreover, their work is quite important to recipients and to society as a whole. Yet, many may go for years without anyone—except those with axes to grind—ever coming around to ask them about their work. In my judgment, political scientists are making a mistake by not doing more interviewing of such upper middle level civil servants. These administrators have a gold mine of experience, information and insight, and they are happy to share all three with someone who is interested and is willing to listen.
Along with being friendly, cooperative and eager to talk about their work, administrators were also remarkably frank. Although this point has been made before, it is worth repeating. At no time did I feel I was being propagandized. In fact, I often felt I was being given insights that were available nowhere else. One insight came concerning the nature of intergovernmental relations. A relocation official told the following anecdote:

We get audited and the GAO. HUD's auditors are , but they can't compare with GAO's. Oh, GAO auditor comes in here wearing a big floppy hat, and farmer's overalls. He has a piece of straw in his mouth. He asks questions that make you think he's really interested in what you're doing. Then you see the audit report and learn those questions weren't so innocuous after all. (Chuckle) I got taken in the first time the GAO came. Now I like to see them coming. I enjoy matching wits with them.

If the administrators were delightfully candid about their relations with outside actors, they were also quite candid about their own organization's mistakes. One relocation official admitted:

A couple years back, something got garbled and we inadvertently paid a woman twice for being displaced. So far the HUD and GAO auditors haven't found that out. They will, though. I hope they don't catch her for another three years. I'll be retired then, and it'll be someone else's problem.
Race and sex were also interesting aspects of the interview situations. While I do not believe in quotas, it is heartening to see the apparent equal opportunity that predominates in the organizations surveyed. In the fifteen interviews, there were five black administrators (3 men, 2 women). In addition, there were four women administrators (2 white, 2 black). Every policy area had black or women administrators, or both. Competence cut very nicely across racial and sex lines.

Towards the end of the interviewing process, I came to be absolutely convinced that most of the interviewees accomplished what they did in spite of their physical surroundings. The physical plant of most of the organizations studied simply was not much to behold. Admittedly, one vocational education office was housed in a rather nicely renovated former grade school. The building was old, but was neatly refurbished. It was also very sturdily constructed, and featured the use of lots of oak flooring and oak handrails on the stairs.

For the most part, though, the other organizations were not so fortunate. As discussed in chapter 3, one welfare office was located in a building that
could only be called dilapidated. Window frames were rotting. Paint was chipping off the walls. One rest room on an upper floor measure approximately eight feet by ten. There was one wash stand, and only one commode. Neither the wash stand nor the commode showed signs of having been cleaned in the recent past. The window had several months' dirt on it. As I walked through the building, noticing the clutter on the floor and the exposed pipes on the walls and ceiling, I had to wonder if the place met the local building code. I doubted that it did.

While no other organization was located in quarters quite so seedy, many of the interviewees' buildings were in a state of partial disrepair. Many buildings had a dingy and run-down-at-the-heels appearance. The overall appearance of most was somewhat shabby and unpleasant.

Thus what the interviewees accomplish is often accomplished despite their physical surroundings. In my judgment, the physical surroundings most interviewees faced each day would be a depressant, not a stimulant. A political scientist with some training in psychology may want to pursue this point. Physical surroundings undoubtedly influence
the caliber of work done by administrators.
It might be interesting to learn how the administra-
tors compensate for their surroundings, or how
they train themselves to ignore as much as possible
the grime of the sometimes semi-decayed buildings they
have to work in.

It may be impossible, though, for administrators
to blot out their environment completely. The
surroundings may exact some toll. Some of the
interviewees in their fifties had a tired, mildly
resigned look about the eyes. How much of that
appearance was due to working for ten or
twenty years in depressing physical surroundings
is, of course, hard to judge.

Some of it may be due not to the surroundings
but to long years of struggling with the tediously
slow pace of grant-in-aid programs. I know I saw
much the same look in 1966 when I interviewed
federal relocation officials and District of Columbia
officials for an undergraduate paper. I saw it
again in 1971 when I interviewed Cincinnati municipal
officials for my master's thesis. Most of the
people interviewed on those two occasions were
housed in aged buildings and had been grappling for years
with the slowness of the intergovernmental grant process. Which variable is more wearing is not clear at all. That such wear exists, though, is indisputable.

A final summary judgment is difficult. Since this was a systematic exploratory study, sweeping generalizations about local bureaucracy in America may not be appropriate. Nonetheless, this much can be said: The administrators interviewed gave every appearance of being decent, intelligent and dedicated public officials. In the post-Watergate era, we might do well to remember that such officials may be more common than the headlines suggest.
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APPENDIX

Sample Questionnaire For Proposed
Vocational Education Program
RECREATIONAL VEHICLE REPAIR
Questionnaire

1. Company

Person responding

Title

2. Do you feel that there is a need for a Recreational Vehicle Repair Program?

3. What is your estimate of possible job openings each year in the Greater Cleveland area?

4. Would you or an associate be willing to serve on the Technical Advisory Committee for this program?

5. Would you review the following basic outline and indicate whether or not the items listed are important or not important? Please add or delete as required.

Program Outline

<table>
<thead>
<tr>
<th>A. Frame</th>
<th>Important</th>
<th>Not Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>New construction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repair</td>
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<th>B. Running Gear</th>
<th>Important</th>
<th>Not Important</th>
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<td>Wheels</td>
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C. Hitches
   Bumper .............................................
   Frame .............................................

D. Electrical System
   Lights .............................................
      Running ........................................
      Parking ........................................
      Turn Signals ..................................
      Interior ........................................
      Alarms .........................................

E. Water Systems ..................................

F. Gas - Bottle Systems ..........................

G. Heating System ................................

H. Air Conditioning ..............................

I. Aluminum Siding ...............................

J. Paneling ........................................

K. Mechanisms ....................................
   Electrical .......................................
   Hydraulic .........................................
   Mechanical ........................................

L. Locks ............................................

H. Glass ............................................

N. Canvas ..........................................