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INSTITUTION BUILDING RESEARCH

THE GUIDING CONCEPTS

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IN
INSTITUTION BUILDING

INSTITUTION BUILDING RESEARCH: THE GUIDING CONCEPTS

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FOREWORD

The development of a country depends largely on the ability of the society's leadership to design and build a network of viable organizations which can mobilize and develop the nation's physical and human resources. Massive capital investment, education and training, and the application of modern technology are essential for the achievement of greater economic and social welfare. It is being increasingly recognized that the process of growth and change can be significantly enhanced and accelerated by the presence of newly created or reconstituted organizations through which new functions, values, and techniques are introduced, diffused, and assimilated (institutionalized) in every sector of a developing society.

Modernizing leaders in developing countries and technical assistance personnel from abroad are concerned with the structuring of a network of organizations capable of effective utilization of domestic and foreign resources. This concern is not and should not be limited to the development of organizations as technical instruments to carry out specified functions and tasks. It also involves the introduction of values, norms, and patterns of action which are commensurate with the changing functional and technological requirements. The introduction of a personnel system based on the merit principle, for instance, often involves the replacement of traditional kinship, social structure, and political values and obligations by the values and norms of impartial effectiveness and efficiency.

Under conditions of major and rapid change, which characterizes the developing society, it cannot be assumed that new goals and functions

will be readily accepted and supported, or that the existing organizations are able to provide the required inputs and effectively absorb the products and services of new or reconstituted organizations. A national planning agency cannot carry out its functions without introducing the concepts and processes of planning in operating departments and without creating the capacity for implementation. A crucial role for domestic and foreign change agents in developing countries, then, is to build institutional organizations capable of implanting, fostering, and protecting physical and social innovations, of gaining support and complementarity in the environment and of spreading their innovations to other segments of the society.

There is not yet a body of systematic knowledge on the process of developing innovative institutions, and on the strategic choices and critical decisions of institution builders. Those who face the task of creating the organizational capacity to further economic and social development can often draw on considerable personal experience and intuitive insights. An attempt needs to be made, however, to derive general principles from varied experiences, to simultaneously broaden and refine the scope of analysis, design, and action. To contribute to a body of knowledge on this process of induced social change and to offer guidance to practitioners involved in institution building, the Inter-University Research Program in Institution Building was established in 1964 with the help of a grant from the Ford Foundation. Through the analysis of successful and abortive attempts at institution building and

through the comparative analysis of these experiences, it is anticipated that certain sets of factors and their interrelationships can be identified as they affect the process.

The present paper presents the conceptual framework of the institution building research program. It draws on the growing body of literature in administrative theory, organizational behavior and social change. It is based largely on earlier explorations and formulations by the authors,* who gratefully acknowledge the significant contributions made to their ideas and to the continuing refinement of the concepts by the institution building research projects in progress. In addition to the many researchers participating in the program, special appreciation is expressed to the members of the Executive Board of the research program for their contributions to conceptualization and for their continuing guidance of the research enterprise: Professors William Siffin and Fred W. Riggs (Indiana University); Professors Ralph Smuckler and Eugene Jacobson (Michigan State University); Professors Saul M. Katz and Jiri Nehnevajsa (University of Pittsburgh); Professors Irving Swerdlow and Julian Friedman (Syracuse University).

It is hoped that the distribution of these guiding concepts to scholars and practitioners will stimulate dialogue on the factors influencing the institution building process, encourage the use, as well as the testing and refinement, of these concepts in ongoing research, and thereby expand the body of knowledge about this important aspect of purposeful social change.

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* Esman, Milton J. "Institution Building in National Development," International Development Review, Society for International Development, Washington, D.C., Vol. IV, No. 4, December 1962.

Blaise, Hans C. "The Process and Strategy of Institution Building in National Development," Ph.D. Dissertation, University of Pittsburgh, June 1964.

INSTITUTION BUILDING RESEARCH:

THE GUIDING CONCEPTS

A. Definitions and Assumptions

1. Where new physical and social technologies and a redistribution of functions are introduced, economic and social development in low income countries is likely to occur. The efficient assimilation of these technologies requires supporting values, norms, processes, and structures in the environment. These supporting elements are seldom present in the environment when the new technologies are introduced. Therefore, changing the values, norms, processes and structures to complement or accommodate the new technologies is an integral element of development.

2. The introduction of new technologies takes place primarily in and through organizations. It is in and through these organizations that the supportive values, norms, processes and structures must be institutionalized.

3. Institutionalization is defined as the process by which normative relationship and action patterns are established.

4. Institutions as used in this context are organizations which incorporate, foster and protect normative relationship and action patterns and perform functions and services which are valued in the environment.

5. If there is deliberate planning and guidance of institutional change concomitant with induced technological change, then this will lead to a more effective utilization of the society's resources. These institutionalized changes, like other social phenomena, can be

systematically analyzed in terms of their requirements and processes. The results of these analyses can be applied to guide social action.

6. Institution building may then be defined as the planning, structuring, and guidance of new or reconstituted organizations which (a) embody changes in values, functions, physical and/or social technologies, (b) establish, foster and protect normative relationship and action patterns, and (c) attain support and complementarity in the environment.

7. An assumption underlying this research is that institution building is a generic social process. This means that a set of elements and actions can be identified which is relevant to institution building in general, even though the expression of these elements will differ, depending on the type of institution and the social environment.

B. The Research Universe

As a first step in designing the research program, we must establish the boundaries of our research universe. At this early stage we are conscious of the danger inherent in prematurely advocating a given scheme or model. On the other hand, systematic accumulation of knowledge from a large number of studies is possible only if a common frame of reference is used, delineating the focal areas of research and identifying some of the major elements. The concepts presented here will, therefore, serve heuristic purposes and facilitate the organization of data for comparative analysis. As data become available from field research and domestic research, the concepts and design will be continually modified and elaborated.

One of the important criteria which will guide us in the conduct of this research is its relevance to social action. Research in any field must meet certain conditions which are basic to scientific investigation. In the organization and analysis of data, and the exploration of specialized aspects of institution building, however, the potential utility for those actively engaged in institution building will be a continuing concern.

1. The Elements of Institution Building. The emphasis in this research is on the structuring and institutionalization of innovative organizations which in their doctrine and program incorporate new values, functions, and technologies. Our research problem is (a) the identification of the forces and elements within the organization and its environment which affect this process, (b) the relationships among these forces and elements, and (c) their implications in terms of alternative choices of action.

The following have been tentatively identified as the key elements for the analysis of the institution building process: (a) leadership, (b) doctrine, (c) the organization, and (d) the environment.

Leadership refers to all those persons who are actively engaged in the formulation of the doctrine and program of the institution and who direct its operation and relationships with the environment.

Doctrine refers to the specification of the values, objectives, and operating methods of the institution.

The process and strategy of institution building can only be analyzed in relation to a stable point of reference. As a minimum we need to know the specification of the functions and operational objectives,

which provide the purpose of the institution building effort. Our definition of doctrine includes this specification of the purpose of the organization. For this reason, doctrine has been identified here as a key element of analysis. The significance of other doctrine elements, such as the specification of values and operational methods, is a question which can be answered only through empirical research.

The new or reconstituted organization is the vehicle of change, in which and through which the leadership embodies, fosters and protects the new values, norms, and technologies. It is the immediate target of the change agents. In the analysis of institution building, however, an organization cannot be studied in isolation.

The environment is an essential element in the institution building universe. Environment refers here to the set of organizations and individuals in the society with which the subject institution is interdependent in performing its functions and services. Furthermore, in building an "institution," the leadership works toward the establishment of a social organization with relationship and action patterns which become normative for other organizations and individuals in the society. The social environment of an organization is, therefore, an integral part of the universe of institution building analysis.

2. The End State. At the present state of knowledge in the social sciences, there is no scientifically valid way of defining "modernity." Unless we are either deterministic or prescriptive, this concept can only be treated on a fairly high level of abstraction. For the purpose of research at this time, we will concern ourselves with institution building as an instrumentality for the introduction of change, rather

than attempting to measure the extent to which this change constitutes modernization. For this research program it seems sufficient to establish the manner and the extent to which the major values, functions, and processes of an organization deviate from the established normative patterns of value and action.

By definition, institution building has been accomplished when it can be demonstrated that the organization embodies social or technological innovations, that at least certain relationship and action patterns incorporated in the organization are normative both within the organization and for other social units, and that support and complementarity in the environment has been attained. Institutionality is a matter of degree. We cannot state in absolute terms the fact that, or the point in time when, an organization has become an institution. We can speak only of a trend and identify certain indicators of the institutional character of an organization. Some of these indicators are suggested in the following paragraphs.

The first test is, of course, the organization's ability to survive. Survival alone, however, is not enough. It is possible that the organization as an operating agency may survive only at the cost of forfeiting all or most of its innovative elements. Or, it is possible that the organization continues its existence but fails or ceases to be normative. A second qualification to be added here is that the survival of specific innovations is not necessarily dependent on the continued existence of a given institution. Other institutions may become the receptacles and protectors of the new values and norms. The original

institution may have come to the end of its useful social function and its abolishment may become both inevitable and desirable.

A second test of the institutionality of an organization concerns the extent to which it is viewed by the environment as having intrinsic value. This can be examined by assessing the relations of the organization with the environment and the actions taken by the environment toward the organization. Some parameters to test the institutional character of an organization are:

(a) autonomy - the institutionalized organization has a high degree of autonomy. Three manners in which this autonomy is expressed are:

(i) the institution can establish rules and procedures deviating from and independent from the larger system of which it is a part;

(ii) the institution can acquire resources without being subject to detailed questioning of specific operational and programmatic items, by invoking its acknowledged intrinsic value;

(iii) the institution can rely on the acknowledged intrinsic value of the total institution in defending itself against attacks and encroachment on some of its elements.

(b) influence - the institutionalized organization can exert considerable influence on its environment. Expressions of this influence can be found in:

(i) the extent to which the institution influences decisions made in its functional area;

(ii) the extent to which the institution can enlarge its sphere of action inside and outside the organization.

As a third test of the institutional character of an organization, we can determine whether specific relationship and action patterns embodied in the organization have become normative for other social units. This is the measurement of the impact or spread-effect of the innovations introduced by the organization.

C. Research Design

For the conduct of institution building research it is necessary to develop a conceptual scheme which will facilitate the orderly collection of logical classification of data. While this important preparatory phase has not been completed, significant progress has been made. The basic requirements for structuring and carrying out a coordinated research enterprise have already been met. What remains to be done is a refinement of certain analytical categories and the further exploration of some dimensions of the research which thus far have not been explored in detail.

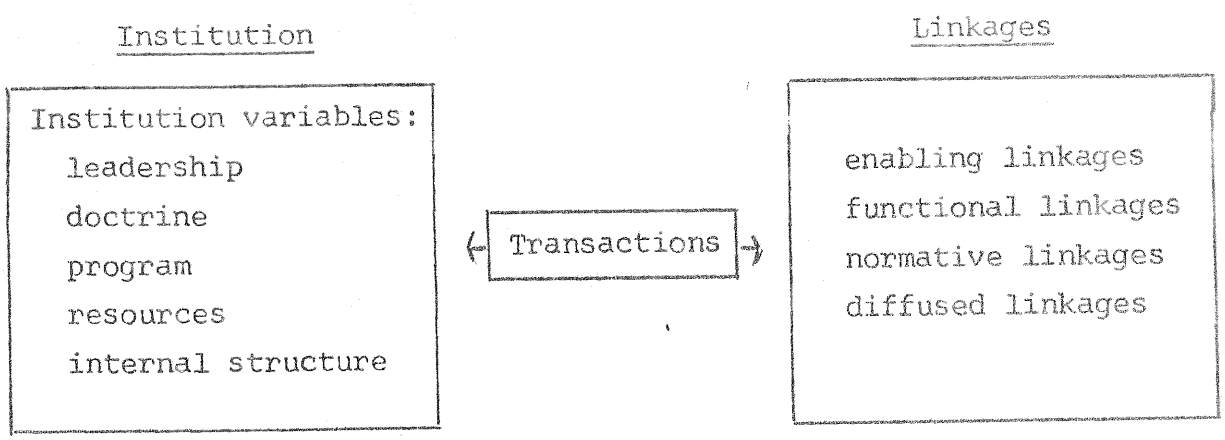
In this section we are presenting the current formulation of the analytical concepts and categories. Presented in a somewhat abbreviated form, it is not a definitive basis for the studies to be conducted, but rather indicative of the trend of our preliminary investigations at this time.

1. Analytical Concepts. Three basic analytical categories may be distinguished in institution building. In the first place we are concerned with the structuring of the institution as a system with a set of elements or variables which, in their interrelationship, determine the behavior of the entity in the performance of its program of action. The second category is the specification of the environment with which the institution interacts. At all stages in its development, there are interdependencies between an ihstitution and certain social entities in its environment. The institution maintains an exchange relationship with environment, from which it obtains its authority to operate, its support, and its resources; which uses the institution's output and provides complementary services; which controls certain norms affecting the institution and to which the institution strives to transfer its values, norms, and technologies. These points of interaction with the environment have been termed institutional linkages. Besides the specification of the relevant environment and its properties, we are concerned with the kinds and purposes of transactions which are conducted between the institution and its environment. Under transactions are comprised both the exchange of goods and services, and the exchange of power and influence.

The three analytical categories of institution building are presented in Figure I. The elements identified under institution and linkages, as well as the category of transactions, will be described in more detail on the following page.

Figure I

The Institution Building Universe



2. Institution Variables. Our first set of variables for the analysis of the institution building process pertains to those elements which are necessary and sufficient to explain the systemic behavior of the institution. It is suggested that the data may be organized into five categories, each with a set of properties or variables. At this stage of the research it is not possible to identify all the variables which are relevant to institution building. Our research design must be viewed, rather, as a classificatory scheme which allows for the ordering of data in a consistent and meaningful manner. The cumulative identification of variables within the various categories, and the testing of propositions about their relationships will yield theoretical insights, while the classification will ensure the possibility of comparative analysis.

Below we will describe each of the five categories and suggest some of the properties which determine the value of each central concept.

(a) Leadership - Leadership is defined here as the group of persons who are actively engaged in the formulation of the doctrine and program of the institution and who direct its operation and relationships with the environment. On the basis of this definition, the leadership group is not restricted to those who are formally charged with the direction of the institution, but includes all those who - according to the definition of institution building - participate in the "planning, structuring and guidance" of the institution. Leadership is viewed as a unit, with the variables or determinants of leadership being significant for the group, rather than in terms of each individual.

Some of the variables in the leadership category are: political viability, i.e. the political acceptability and survival power of the members of the leadership group; professional status, the status or rank in the professional group and field of activity within which the institution operates; technical competence, with regard to the functional area and technologies used by the institution; organization competence, the ability to design and implement effective structures and processes for the operation of the institution; role distribution, the distribution of roles and functions to permit the utilization of the complementary assets which leadership group members bring to the situation; continuity, the continuous association of members of the leadership group with the institution.

(b) Doctrine - Doctrine is defined as the specification of values, objectives, and operational methods underlying social action. The doctrine is viewed as the stable reference point of the institution and of its interaction with the environment, to which all other variables are related.

Some of the variables in this category are: specificity, the extent to which the elements in the doctrine supply the necessary foundation for social action in a given situation; relationship to existing norms, the conformity of the doctrine elements to the socially expected and sanctioned behavior; relationship to the preferences and priorities of the society, specifying the relation of doctrine elements to the intermediate goals and targets of the society.

(c) Program - Program is defined as those actions which are related to the performance of functions and services constituting the output of the institution.

Relevant variables of the program are: consistency, with the rules and specifications contained in the doctrine and among the programmatic elements; stability, the reliability of the output in terms of quality, quantity, and in time perspective; feasibility, regarding physical and human resources, complementary production of other organizations, and the absorptive capacity of the society; contribution to needs, concerning the actual contribution made through program actions to satisfying the specified needs of the society.

(d) Resources - Defined as the physical, human and technological inputs of the institution. Resources is a significant category, not only with regard to those resources which are at the institution's disposal or which it can acquire in absolute terms, but also regarding the sources from which they have been or can be obtained. Program decisions, and even decisions concerning doctrine and leadership, may

be affected by the ability to mobilize resources, and the sources from which they can be obtained. The sources will also affect the interdependencies of the institution with other organizations.

Two variables under resources are: availability - the physical, human and technological inputs which are available or can be obtained for the functioning of the institution and the performance of the program; sources - the sources from which the inputs have been obtained and alternative sources to which the institution has access.

(e) Internal Structure - Defined as the structure and processes established for the operation of the institution and for its maintenance. The distribution of functions and authority, the processes of communication and decision making, and other relationship and action patterns, are essential for the analysis of institution building and maintenance. Internal structure and processes determine the efficiency and effectiveness of program performance, as well as the identification of participants with the organization, its doctrine and program.

Important variables in this category are: identification, the mechanisms and processes which enhance identification of participants with the institution; consistency, conformance of internal structure with the rules and specifications of the institution's doctrine and program; adaptability, the capacity to change over time to accommodate shifts in program emphasis and other changing conditions.

3. Linkages. The linkage categories specify the interdependencies which exist between an institution and other relevant parts of the society. We have stated earlier that an institution cannot be studied in isolation. It is dependent on other social organizations for its

authority to function and for the acquisition of resources. It is dependent on the complementary production of other organizations, and on the ability of its environment to use its resources. It is also concerned with and subject to the norms of relationship and action which are established in the society. The institutional linkages are the points where the institution maintains exchange relationships with its environment. A mapping of the institutional linkages is the strategic mapping for the analysis of the institution building process.

The creation of a new institution or the reconstitution of an existing institution will affect the role boundaries of the interdependent complex of functionally related organizations. The existing linkages and the strategic manipulation of these linkages by a new institution is of considerable relevance to the institution building process.

Within the class of institutional linkages, we shall distinguish four categories: (a) enabling linkages, (b) functional linkages, (c) normative linkages, and (d) diffuse linkages.

(a) Enabling Linkages - The enabling linkages are the linkages with organizations and social groups which control the allocation of authority and resources needed by the institution to function. In the creation stage of a new institution they are the prime target of the institution builders. It is through the enabling institutions that the change agents seek to further their cause and that the competitive claimants and other forces of opposition seek to withold authority and resources from the new institution. Also for continued functioning, the institution is dependent on its enabling linkages.

The entities within this category are the specific organizations and groups with which enabling linkages exist.

(b) Functional Linkages - This second set of linkages are the linkages with those organizations performing functions and services which are complementary in a production sense, which supply the inputs, and which use the outputs of the institution. It should be noted, however, that in the case of inputs we have included the aggregate financial resources, the capital and operating budget, under the enabling linkages. Also included in the functional linkage complex are those organizations which constitute the real or potential competition, organizations which perform or seek to perform, similar functions and services to those of the institution under study.

In its interaction with the functional linkage organizations, an institution will strive for achieving complementarity. As an institution which embodies and promotes new relationship and action patterns, and new technologies, it works toward the spread of these innovations through the functional linkages.

Again, the entities in this category are the organizations with which complementary or competitive relationships exist.

(c) Normative Linkages - The normative linkages specify the linkages with institutions which incorporate norms and values which are relevant to the doctrine and program of the institution. This applies to both the socio-cultural norms and the operating rules and regulations. As an example, an institution may be affected by the rules and regulations of a civil service commission, even though no enabling or functional linkage exists with that body. Similarly, certain norms and values may

be protected by a religious or political organization, without a direct linkage of the (a) or (b) category existing between the institution and the norm protecting organization. Yet, the presence of these norms and values in other parts of the society will affect the feasibility, process and strategy of institution building. Depending on the property of the linkage, it can enhance or hamper the institution building process, and is a strategic element for action and analysis.

The significant entities in this category are those norm and value protecting institutions which enhance or hinder changes introduced by the institution.

(d) Diffused Linkages - Not all the interdependencies between an institution and its environment are with specific social organizations. The establishment and operation of an institution is also affected by the more diffused support or resistance in its immediate environment and in the larger society. Thus, diffused linkages refer to public opinion and relations with the public, as expressed in news media and other channels for the crystallization and expression of individual and small group opinion not reflected in formal institutions.

It is clear that the categories of institutional linkages outlined are not mutually exclusive. An institution can have more than one type of linkage with one of the environmental organizations simultaneously.

4. Transactions. In the structuring of an institution, the performance of its program, and the transfer of its innovations to other segments of the society, an institution conducts certain transactions with the social organizations with which it has linkages.

Transactions are defined as the exchange of goods and services, and the exchange of power and influence. Thus, it is not restricted to physical inputs and outputs, but includes such social interaction as communication, support acquisition, and the transfer of norms and values.

A specification of the transactions which take place between an institution and the social entities in its environment may be made in terms of the purposes of the transactions. This is relevant for the study of the flows of different kinds of transactions and their effect, of the institutional linkages through which transactions take place, and the institutional variables which affect the transaction patterns. The following purposes of transactions have been identified:

(a) Gaining Support and Overcoming Resistance - An important element in the transactions of a new institution with its surroundings is to strengthen or create bases of support for the organization and its program. In part this consists of overcoming opposition, by creating a favorable relationship, by neutralizing, or by isolating opposition forces.

(b) Resource Exchanges - The purpose here is the acquisition of the necessary resources for the operation of the institution and the distribution of the outputs of the organization.

(c) Structuring the Environment - Frequently an institution will be created in an environment which is ill prepared for the fulfillment of complementary services on which the institution is dependent for the effective performance of its functions. Thus, a number of the

transactions of the institution will be designed to create complementarity by bringing about changes in existing organizations or by creating new units outside the existing organizational complex which provide the necessary complementarity.

(d) Transfer of Norms and Values - In the process of introducing new relationship and action patterns which are normative for other individuals and organizations in the society, some transactions of the institution will be directed to that purpose. Giving attention to this kind of transaction is both essential and characteristic for institutional organizations.

The above listing of a typology of transactions is neither exhaustive, nor are the categories mutually exclusive. A given set of interactions may have several of the purposes mentioned simultaneously. The flow of transactions, their purposes and elements, appears to be significant for the analysis of the strategy and process of institution building.

5. Time Dimension. Institution building is a process over time. The analysis of the variables and their interrelationship as they affect institution building is not possible without placing them in the proper time perspective. The requirements, in terms of both substance and action, will vary dependent on the point in time in the life cycles of the institution. We can, for instance, distinguish an initiation phase. This is the time when certain values or goals are conceived by the change agents and a strategy is determined for their attainment. It is the period during which support is being sought for the ideas and resistance overcome, leading to the acquisition of the

necessary authority and resources to allow the establishment of the organization. It is evident that the variables affecting this phase in the life cycle of the institution building process are different from those which are relevant to the later phases of program execution, organization maintenance, and the period of transfer of norms and values.

While recognizing the importance of developing the time perspective concepts in more detail, this step in the research design has not been taken to date. It is anticipated that some of the researchers conducting institution building studies will place particular emphasis on the time dimension in their individual research design and data analysis.

6. Applicability of the Research Concepts. These concepts were formulated to provide a framework for the systematic analysis of the strategy and process of introducing innovation through newly created and reconstituted organizations in low-income countries. The concepts are sufficiently generic to be readily applicable to the analysis of institution building experiences in advanced, industrialized societies. Regardless of the societal level of physical and social technology, there are change agents who develop new value concepts and new technologies. In the introduction of new values, norms, functions, and technologies these change agents face the task of creating or recreating an organizational framework incorporating these new elements and of gaining support from and achieving complementarity with the environment. The institutional variables, categories of linkages and exchange relationships with the environment as formulated in this paper are suggested to be analytical concepts relevant to the analysis of institution building experiences regardless of place and time.

It should be emphasized that the focus here is on the process of dynamic and deliberate change. This conceptual framework does not lend itself to the analysis of the gradual adaptation of organizations to ongoing internal and external pressures and conflicts nor to the problems of organization maintenance over time.

It is difficult to determine at this stage the size limitations and degree of institutional complexity to which the conceptual framework may be applied. A large complex organization, such as a national ministry, may contain some large semi-autonomous units which have their own independent set of linkages with the environment, and a partially independent set of values, norms, programs, and functions. To subject this type of complex organization to the kind of analysis suggested may pose a major problem. On the other hand, innovation may be introduced by simultaneous action in a number of functionally related organizations or organizational units. The usefulness and conditions of applicability of the conceptual framework to the strategy and process of a cluster of institutions warrants further exploration.

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