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## The Transformation of Regional Development Agencies through Partnership: From Model Delivery to Catalytic Converter?

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# **The Transformation of Regional Development Agencies through Partnership: From Model Delivery to Catalytic Converter?**

*Draft : Not to be quoted without the authors' permission*

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## **1. Introduction**

Partnerships between the European Union (EU) and the member states, public, private, voluntary and community sectors are seen to be the order of the day, and indeed these are often prerequisites stipulated by the European Commission (EC) and national governments (especially the UK) before any financial assistance can be granted for regional development (Boland, 1996, p.299).

The aim of this paper is to consider the partnership model for regional development and how its adoption can result in changes in the role of organisations such as the Local Enterprise Companies (LECs). Using the Scottish experience as an example, the paper examines how networking within a partnership could impact on these organisations. The main focus, therefore, is on whether the partnership model for regional development has promoted change in a particular way within the LEC organisations and whether opinions of staff on this matter are different from actuality. The development and importance of networks and inter-firm linkages between local economic agents on the internal organisation of these institutions, and on regional development agencies especially, is analysed using organisational theory. A key question is whether working in partnership for regional development is appropriate for organisations given the potential disruption to the organisations themselves.

The area of research for this paper, on the regional development environment, is currently being investigated as part of a larger project. In the fuller analysis, the questionnaire will be supported by and compared with in-depth interviews of key personnel and a reappraisal of secondary internal documentation of roles, organisational structures and training programmes i.e. fact versus opinion from a variety of organisations within the public sector arena.

## **2. Networks and Partnerships**

Traditional research in organisational theory has tended to concentrate on intra-firm rather than inter-firm relationships, however, with the increased interest in networking (Nohria and Eccles, 1992) and indeed partnership, it has been necessary to consider the relationships between organisations in a more structured way. In addition, the impact that the external (networking) environment may have on the structure, culture and functioning of the individual organisation should have increasing importance as decentralised decision making, indigenous development and collaborative working in regional economic development become more common (Cooke and Morgan 1993; Garmise and Rees, 1992; Mackintosh, 1997).

### *2.1 The Importance of Local Networks*

A basic assumption of the relationships formed to provide a network is that the organisations are mutually dependent upon resources controlled by each other, and that there are benefits to be gained by pooling the resources. Thus in network forms of

resource allocation, organisations do not operate on an individual basis but relative to all the organisations in their network (Nohria and Eccles, 1992; Cooke and Morgan, 1993). In many ways the analysis of cartels and oligopolistic behaviour is analogous to this.

Networks are the intricate links based on trust and reciprocal patterns of communication and exchange between producers and clients that are necessary to ensure an economic capability and responsiveness (Grabher, 1993). The ideal networks would enhance market allocation decisions: and in economic terms they would facilitate the externalities of decisions becoming internalised to the members. Networks mean that key agents have to work more closely together to fulfill the needs of those included in, and affected by, the network.

Networks for economic services are fundamentally local affairs (Bennett and McCoshan, 1993). They depend upon the way in which businesses are served by local community and business leaders and elites, the way in which local networks perform, and in how participation takes place at a local level. However, the character of local networks, their leadership and elites, are also fundamentally determined by the economic structure and layout of their economies, which itself depends on the relation of the local economy to the national and global economic system. As a result, different types of area possess very different types of networks of relationships. For example, there are strong contrasts between older and newer industrial areas; between areas concentrated on urban settlements and those in more dispersed urban or rural areas; and so on.

The contrasts of networks between areas create very different possibilities for development. In some areas networks allow a strong positive lead to be taken which allows the rapid economic change and adjustment on which service quality is founded (Ricard, 1997). In other areas, the absence of an effective network, or a network tuned to bygone circumstances, can be a strong inhibition to economic growth. Local networks thus can be strong supply side factors that raise or lower the economic growth potential for different parts of the country (Bennett and McCoshan, 1993; Doeringer et al, 1987).

## *2.2 From Networks to Partnerships*

Networks are the essential means for linking one group of agents to others whom they effect and are the mechanism for the exchange of information and services in support of business development. Beyond simple networks, partnerships require the commitment of the agents to work fully together. This means:

- i) accepting long term structures that work towards sustained commitment to change and achievement of quality;
- ii) accepting an active commitment to changing the internal operations of each agent, and helping other agents also to change to achieve an improved system overall.  
(WMEB Consultants, 1995).

Hence networking alone is largely passive, whereas partnerships require active participation

(Mackintosh, 1992). Partnerships are based on firm agreements by agents to work together. They extend far beyond network flows of information, to offer a system that ensures that the problem, or the client, is fully addressed. Partnerships can range from agreements between actors to work together towards a common end, to agreements which form a legal contract through which specific targets for performance are defined by the contracting parties. Over this range of possibilities the parties may act as relatively equal partners, but frequently the partnership is not equal: it is more important to one party than to others, or performance is mandated or coerced by one party on another (frequently through financial powers).

### **3. Regional Development and Organisational Theory**

Cooke and Morgan's study (1993) examined network forms of organisation, assessing their significance in the field of regional development. Their criticism was that to date 'organisational theory pays insufficient attention to network relations between firms and public or quasi-public intermediary agencies.' To their particular criticism, it will be argued that it is important to consider not only the networks within the regional development environment but also the impact that the networks have on each organisation's internal environment. Therefore it is necessary to centre on regional development, and to apply the organisational theoretical view of institutions. Regardless of the type of network (including level of trust, power relationships etc.) or environment (political, technological etc.), organisations sharing and facing the same external environment, over time, will converge on the same structure, form and culture (DiMaggio and Powell, 1983).

To date no research has been undertaken into the effect that the partnership model, and the underlying networking model, may have on the internal structure of the organisations, public or quasi-public, which are involved in regional development. The remainder of the paper outlines organisational theories which allow analyses of this area and applies this to the Scottish experience.

#### *3.1 Environmental Impact on the Internal Organisation*

As previously noted, inter-organisational relationships determine the organisations which may be present and influential within the LEC environment (spatial analysis), but the impact which the environment may have on the structure, form and culture of each of the organisations is wholly indeterminant through this level of analysis. For this it is necessary to consult a set of theories which analyse the effect that the external environment (which includes linkages, relationships and systems) may exert on internal conditions of an organisation.

The favoured paradigm of the early 1960s considered organisations as technical systems (Scott, 1983). This analysed the effects on organisational structures and processes of the organisation's interdependence with its environment in terms of resource inputs and outputs, known as the 'input-throughput-output' paradigm. The problem with this set of theories was they only considered technical aspects, where structures and processes were

shaped purely by the technical rationality of the organisations, and not by the social context and the interdependence of organisations and their environments. Any apparent departure from rationality was assessed by looking inside the organisation (at power and social structures) rather than at the social structures in the organisation's external environment.

Following from the technical models, the population ecology model (Hannan and Freeman, 1977) considers more fully the effects of the environment on the organisation's internal functioning, with its main focus being on organisations competing for their survival. It differs from traditional explanations of organisational change in several ways. Instead of looking at the internal organisation to determine the cause of change it focuses on the nature and distribution of resources in the external environment as the central force in change. The theory also takes into account the historical context within which organisations emerge, paying particular attention to the economic and political conditions. However, there are several difficulties with the population ecology model which may suggest that it is inappropriate for the analysis of the external environment of the LECs and the impact on its internal organisation. For example, Hatch (1996, p83) argues:

‘When competitiveness is compromised by the existence of enormously powerful organizations or barriers to entry or exit, the population ecology model loses much of its explanatory power.’

One may consider that the involvement of the government and European Commission involvement through finance and legislation and the legal barriers for entry and exit in the regional development sector, are large enough impediments to the usefulness of this theory. Furthermore, the aforementioned theories accounted for the diversity in the types and structures of organisations whereas this paper considers the possibility of homogeneity in culture, structure and form between organisations working within the same external environment.

### *3.2 Institutionalisation Theory*

Akin to the population ecology model, much of modern organisational theory posits a diverse and differentiated world of organisations and seeks to explain variation among organisations in structure and behaviour (e.g. Woodward, 1965; Child and Kieser, 1981). However, of more interest for the continuing and changing role of the LEC is the homogeneity of organisational forms and practices rather than the variation in the organisational field.

DiMaggio and Powell (1983) agreed that in the initial stages of their life cycles, organisational fields display considerable diversity in their approach and form. However, they further noted that once a field had become well established, as indeed we may consider the regional development organisational field within Scotland, there is an inexorable push towards homogenisation. Institutionalisation theory, which looks first to the social interdependence of organisations and then focuses on ‘isomorphism within the

institutional environment' (Zucker, 1987, p.443), whereby organisations adopt patterns which are externally defined as appropriate to their environments and that are reinforced by the social relationships of other actors in their environment, explains the process.

### Organisational Fields

For institutional theorists, the appropriate level of analysis for the environment is neither the whole society nor the individual organisation but at an intermediate level. The most accepted term for this level is the 'organisational field' defined by DiMaggio and Powell (1983, p.148) as:

'those organisations that, in the aggregate, constitute a recognised area of institutional life: key suppliers, resource and product consumers, regulatory agencies and other organisations that produce similar services or products.'

The considered virtue of this level of analysis is that it directs attention to all the relevant actors in the environment of an organisation. According to DiMaggio and Powell the organisational field is a social structure in that it involves mutual awareness of the activities that the organisations have in common. In other terms they are aware of all the actors in their particular environment (Westney, 1988).

The organisational field analysis comprehends the importance of both connectedness (Laumann et al, 1978) and structural equivalence (White et al, 1976). Connectedness and structural equivalence respectively are: the existence of transactions tying organisations to one another either formally or informally, and the similarity of position in the network (DiMaggio and Powell, 1983). That is, this level of analysis takes account of the network of relations within which they interact. DiMaggio and Powell (1983, p.148) called attention to the increasing 'structuration' of inter-organisational relations and organisational fields which they believed led to the emergence of homogenisation of organisational forms, culture and output. The process of defining an 'institution' or the structuration of an organisational field was determined by DiMaggio (1982, referenced in DiMaggio and Powell 1983, p.148), whereby four aspects of the environment should be considered:

'an increase in the extent of interaction among organizations in the field; the emergence of sharply defined interorganizational structures of domination and patterns of coalition; an increase in the information load with which organizations in a field must contend; and the development of a mutual awareness among participants in a set of organizations that they are involved in a common enterprise.'

DiMaggio proposed that once disparate organisations in the same line of business are structured into an actual field by competition, the government, or the professions, powerful forces emerge that lead them to become more similar to one another. Thus the question arises: if the field of regional development is highly structured, which method of delivery of regional policy is the most effective, efficient, equitable and economic. Furthermore, should the model of partnership be encouraged throughout the other assisted areas if it causes homogeneity of structure, culture and outputs rather than heterogeneity, innovation and an obvious role for each organisation in the field?

By contrast Scott and Meyer (1983) argued that, under some conditions, more highly structured organisational environments may create an increasing diversity of form. For example, they suggested that where environments lack centralised control or authority the organisational forms will move towards being homogenous through memetic and competitive forms or pressure. However, they proposed that in highly centralised decision making areas where authority was powerful the decision makers may create a variety of highly specialised organisational forms and thus by design homogenisation will not occur.

One of the limitations involved in using this theory lies in defining the boundaries of the organisational field. There are four main choices regarding boundaries identified by Scott (1991, p.174):

1. defining the degree of connection and influence which is required to include an organisational actor within the functional field;
2. choosing the level for the 'similarity' of services or products;
3. making the assumptions where large or multi-functional organisations operate in the field;
4. accounting for bound cultural patterns, which are generally less visible, being more subtle and invasive than structural links.

Boundaries are set according to the similarity of service, critical exchange partners, sources of funding, regulatory groups, professional or trade associations, and any other influential sources. Local and non-local, vertical and horizontal linkages, cultural and political influences as well as technical relationships are included in 'any other influential sources' (Scott 1991).

### Isomorphism

The concept of isomorphism was described by Hawley (1968) as a 'constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions' (DiMaggio and Powell, 1983, p.149). In other words over time a process of homogenisation occurs.

DiMaggio and Powell (1983), following Meyer (1979) and Fennel (1980), considered two types of isomorphism: competitive and institutional. Competitive isomorphism assumes a system rationality that emphasises market competition, niche change and fitness measures. Such a view is useful where there is free and open competition in a field. However in the network / partnership model it does not present an adequate analysis as the basic assumption is that the relationships are based on leadership, not competition, and therefore an environment of open competition is not provided. For these cases DiMaggio and Powell developed an institutional view of isomorphism which had been introduced by Kanter (1972).

There are three mechanisms of institutional isomorphic change depicted by DiMaggio and Powell (1983, p.150) :



#### i) Coercive Isomorphism

This occurs where organisational patterns are imposed on organisations by a more powerful authority, usually the Government. It results from both formal and informal pressures exerted on an organisation by other members of the organisational field, upon which the organisation depends and by cultural expectations in the society in which the organisation functions.

Pfeffer and Salancik (1978) considered how organisations faced with unmanageable interdependence seek to use the greater power of the larger social system and its government to eliminate difficulties or provide for needs. They noted two different characteristics of environments which had been set up by the Government. First, that political decision makers do not always directly experience the consequences of their actions and second, political decisions are often applied across whole classes of organisations thus decision making is less flexible and less adaptive.

Meyer and Rowan (1977) examined the nature of change as states and large organisations expanded their dominance and found that as the level of dominance rises the organisational structures increasingly reflected the rules institutionalised and legitimised by and within the state. As a result organisations are increasingly homogenous within given organisational fields and increasingly organised around rituals of conformity to wider institutions. Any expansion of the government's control supports the homogeneity of organisational fields through direct authority relationships.

#### ii) Normative Isomorphism

Larson (1977) and Collins (1979), interpret professionalism as the collective struggle of members of an occupation to define the conditions and methods of their work, to control 'the production of producers' (Larson, 1977) and to establish a cognitive base and legitimation for their occupational autonomy.

Perrow (1974) asserted that the normative pressures of professional behaviour mechanisms created a group of almost interchangeable individuals who occupy similar positions across a range of organisations. Therefore because the group is so similar in its characteristics and direction it may dominate any possible variations in tradition and control that might have shaped organisational behaviour.

Two aspects of professionalism that may lead to isomorphism are, first, the increasingly formalised educational structures determining a cognitive base and, second, the large number of organisational networks which bridge organisations and lead to a rapid diffusion of new models. Other important factors may contribute to normative isomorphism. These could include a specific organisational field labour market and the existence of common career paths and titles: namely structural homogenisation and status competition where organisations attempt to provide the equivalent services and benefits as others in the field.

This pressure is felt where 'appropriate' organisational patterns are championed by professional organisations.

### iii) Mimetic Isomorphism

This is where organisations respond to the uncertainty in their environment by modelling themselves on the organisations that are perceived to be successful in their type of environment. This can be achieved indirectly through employee transfer or turnover, or explicitly by organisations such as consulting firms or industry trade associations. In this way models of structure, for example, can be implemented by memetic process rather than by rational decision making by the organisation, on the efficiency of such a structure.

It is apparent from the theories discussed here that there are parallels elsewhere in the market economy of organisations becoming more like each other through partnerships and networking. Whether the form, nature, structures and operations of the European Partnership model have been constructed in such a way to promote such evolutions is of concern if these changes in the development agencies, for instance, were to be to the disadvantage of the regional economy. It is to an examination of these potential changes that we now turn.

## **4. Predictions from Organisational Theory**

The aim of this paper is to identify where the given theory may suggest potential disadvantages for the efficient and effective working of the local enterprise companies when they become incorporated into partnerships and networking strategies. By the very fact that the mechanisms of isomorphic change can be determined, it is possible to go further and suggest hypotheses which may predict the changes within the field of regional development within Scotland. These hypotheses can then be examined through the collection of data on the characteristics of the relevant organisations and analysed both cross-sectionally and, preferably, over time.

DiMaggio and Powell (1983) suggested several hypotheses for the determination of the level of homogenisation of structure, process and behaviour in an organisational field. They categorised the hypotheses by the three previously identified isomorphic pressures to change and further grouped them as organisational level or organisational field predictors. The given predictors may be used for the analyses of the field of regional development within Scotland and others are suggested for consideration. The predictors require that indicators be determined for each category and group; however, as the focus of this paper is on the level of isomorphic pressure to change, on one particular organisation in the field of regional development and not on the whole set, the organisational field level predictors will not be detailed at this stage. It is also not necessary to outline the indicators at this stage.

The organisational level predictors are:

### i) Coercive Isomorphism

a)An organisation will become increasingly similar in structure, climate and behavioural focus to another organisation where its dependence on a particular organisation is highest.

b)The higher the level of centralisation of resources that an organisation has from one particular organisation the more it will change isomorphically as the level of dependency increases.

c)The greater the level of legislative and financial power asserted by a member of an organisational field the more it will change isomorphically as the level of dependency increases.

The levels of dependency of Scottish Enterprise on other organisations in the field may be considered by setting indicators for those areas of most importance to the organisation. This would allow the position of Scottish Enterprise to be identified. Following this the level of isomorphic change and level of institutionalisation in individual organisations may be determined:

#### ii)Mimetic Isomorphism

a)The more uncertain the operating environment the more an organisation will model itself on others whom it deems successful.

b)The more ambiguous the goals of an organisation the more liable it is to model itself on another organisation it perceives as successful.

c)The more an organisation has to increase its area of expertise the more liable it is to follow the strategy for internal growth and development of another organisation, which it perceives as successful.

In order to consider the role of the regional development agencies within their respective partnerships, the type of operating environment which each organisation in the field perceives is important will need to be identified and analysed. Similarly, the views of the LECs on which organisations they perceive to be most successful will be relevant. It would be significant if they were all modelling themselves on the same organisation, within the organisational field.

#### iii)Normative Isomorphism

a)The higher the level of dependence in an organisation on academic credentials for choosing staff the greater the level of isomorphism.

b)The greater the participation of the staff in professional and trade associations the greater the influence of normative isomorphic pressure.

c)The more the screening and recruitment procedures are determined by outside consultants the greater the pressure of isomorphic change.

Given the relative isolation of the Scottish local economic development community, and the attempts to introduce postgraduate qualifications accessible by staff of the Scottish Enterprise Network, local authorities, and other agencies, an internal labour market might be identified, within the particular field. A degree of mobility between the members of the various organisations, where workers take their cultures and ideas between, would be indicative of potential isomorphic change.

The organisational level predictors are useful in the determination of the level of pressure of isomorphic change exerted on LECs and therefore these were used to determine the questions which would give insight on the *opinions* of the employees of the LECs.

## 5. Methodology and Results

To test the above hypotheses, a questionnaire was designed and presented to several key personnel of LECs in order to determine the clarity and appropriateness of the questions. Following this pilot and development, a survey was undertaken to understand the views and opinions of those working within the LECs on partnership and how it has affected their working environment.

There were 46 respondents from the LECs all of which were at least in middle management positions. The respondents were asked to identify their highest educational qualification; 13 had Post Graduate degrees, 10 had Masters, 15 had a Degree and 8 were educated to Higher / A Level standard.

### i) Coercive Isomorphism

A series of questions were asked on the views of the respondents toward organisations on which they may have a dependency within their operating environment.

The first of those questions was whether the respondent believed that there were particular institutions in the environment which the LEC was dependent on. All of the respondents agreed that this is the case with 24% (11) strongly agreeing and 76% (35) agreeing.

Following this the respondent was asked to consider the main players in regional development and determine in which way they found their organisation to be dependent.

### a) National Government:

Type of Dependence	Number	%
Legal	19	41.3
Financial	32	69.6
Information	18	39.1

Legitimacy	20	43.5
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The table shows that of the 46 who answered the questionnaire 32 thought that the LEC had a financial dependence on National Government. Interestingly the next most commented on dependence was that 43.5% or 20 respondents believed that the LEC depends on National Government for legitimacy.

b)Local Government:

Type of Dependence	Number	%
Legal	1	2.2
Financial	6	13
Information	21	45.7
Legitimacy	6	13

Of the 46 respondents 21 or 45.7% believed that the LEC had a dependency on Local Government for information.

c)European Commission:

Type of Dependence	Number	%
Legal	11	23.9
Financial	31	67.4
Information	11	23.9
Legitimacy	2	4.3

The LEC dependency on the European Commission is considered to be financial with 31 of the 46 respondents citing this area.

d)Scottish Enterprise:

Type of Dependence	Number	%
Legal	37	80.4
Financial	44	95.7
Information	29	63.0
Legitimacy	23	50.0

As expected the LECs were more aware of their dependence on Scottish Enterprise in the given four areas, especially in terms of finance.

Another aspect which DiMaggio and Powell (1983) predicted would lead to coercive isomorphic change was where legislative and/or financial *power* is asserted by a member of an organisational field. Therefore the respondents were asked to consider whether there were any powerful organisations within their working environment; 44 or 95.7% believed

that there were. The respondents were then asked to identify what level of power they felt each organisation held.

a)National Government:

Level of Power	Number	%
High	36	78.3
Medium	5	10.9
Low	1	2.2
No Power	1	2.2

*\*3 did not respond*

The majority of LEC respondents thought that National Government had a high level of power.

b)Local Government:

Level of Power	Number	%
High	8	17.4
Medium	22	47.8
Low	9	19.6
No Power	2	4.3

*\*5 did not respond*

Half of the respondents who answered believed that Local Government has a medium level of power in the regional development working environment.

c)European Commission:

Level of Power	Number	%
High	10	21.7
Medium	26	56.5
Low	5	10.9
No Power	1	2.2

*\*4 did not respond*

The majority of respondents, 56.5% or 26 employees, thought that the European Commission has a medium level of power in the environment.

d)Scottish Enterprise:

Level of Power	Number	%
High	38	82.6
Medium	4	8.7

Low	0	0
No Power	0	0

*\*4 did not respond*

A large majority, 82.6%, of the respondents were of the opinion that Scottish Enterprise has a high level of power in the environment. This of course reflects the relationship which the LEC has with Scottish Enterprise. The usefulness of this question will be increased when used to identify the level of power that employees in other organisations believe Scottish Enterprise holds in their operating environment.

## ii)Mimetic Isomorphism

For this aspect respondents were questioned on their view of the clarity of the goals and mission statement of the organisation, as identified in the predictors for isomorphic change driven by mimetic forces.

### a)Mission Statement, Goals and Objectives

Questions	Yes	No
Know Mission Statement	45 (98%)	1 (2%)
Goals & Objectives Clear	42 (91%)	4 (9%)
Goals and Objectives Relevant	45 (98%)	1 (2%)

The respondents were asked whether they knew the organisational Mission Statement to which 98% (45) replied that they did. They were then asked to consider whether the organisational goals and objectives were clear and again a large majority of 91% (42) believed that they were and in fact 98% (45) believed the goals and objectives were also relevant to them. Of further interest here would be in-depth information to determine whether the employees can also explain those aspects when asked and whether there is a cultural emphasis on knowing and understanding. Will this also be the case in the other organisations involved in regional development? If there is a leader who might it be? Further analysis on other organisations in the field will shed light on those aspects.

## iii)Normative Isomorphism

In order to determine the impact of normative pressures several questions were asked on academic credentials and further training. In addition to this questions were asked to determine whether an internal labour market is apparent between the organisations in the field of regional development.

### a)Professional Associations

Representation in professional associations was considered in two ways. First, did the respondent represent the organisation in an association and second, did they hold personal

membership of any particular association. A large majority of 82% (37) did not represent the organisation in any professional association as was also the case for personal membership with 78% (36) having no personal membership of an association. Of interest therefore is whether this is common within the field or whether LECs are individual in this respect.

#### b)Recruitment

One of the predictors of increased pressure from normative isomorphic change is where screening and recruitment procedures are determined by outside consultants. The respondents were asked to identify the method of recruitment firstly to the organisation and secondly to their current position. In this case although 63% (29) were originally recruited externally when asked about the current position this fell to 28% (13) whom had been recruited by external application. Internal application and promotion accounted for 65% (30) of those recruited to their current position. It would therefore appear, on this information, that the level of normative isomorphic pressure is low.

#### c)Training

The respondents were then asked to determine the number of training courses which they had attended to find whether there may be any external influence in this area. The majority of respondents (26) had attended more than ten courses. They were also asked to identify whether the courses were tailored to the profession, the organisation or the individual. The response to this shows that the majority of courses were tailored to the organisation (52%). However training tailored to the profession (17%) and to the individual (24%) took up 41% of the total. Further knowledge on the course content and whether outside consultants deliver similar courses to other organisations in the field would give a clearer picture on the level of isomorphic pressure which may be caused by the training programme.

#### iv)LEC Views and Opinions on Partnership Working

I. Respondents were asked to rate their opinion on the perceived internal changes in the organisation.

a)The internal changes have made it easier to communicate with other organisations in the field?

The majority of respondents 74% (34) thought that communication was improved between organisations.

b)The internal changes have made the LEC more like other organisations working in the field of Local Economic Development i.e. in terms of structure, objective or internal policies.



For this 19 (41%) believed that they were more alike and 21 (46%) disagreed with this concept.(6 did not reply)

c)The internal changes have made it easier to move job between organisations operating in the field of Local Economic Development.

In this case 46% (21) were of the opinion that it was easier to move job although further information may consider whether they believe this purely in the LEC / Scottish Enterprise arena or whether this opinion expands to include all organisations. A previous question on which other organisations the LEC employees had worked for showed that 7 (15%) had worked in Local Government and 12 (26%) had at some time worked for other agencies in Local Economic Development. Further information on other organisations may show the flow of workers from particular organisations more clearly.

d)Internal changes have made no difference to the LECs delivery of policy.

The majority of respondents (31) thought that there had been changes in the delivery of policy caused by internal change.

e)Internal changes have led to a clearer distinction of roles between the individuals involved in the field of Local Economic Development.

In response to this statement 23 (51%) believed that there was not a clearer distinction of roles because of internal change.

II. The respondents were asked to consider a range of statements to allow identification of their opinions of working in partnership and consistency in answering. The following table gives the results of the LEC employees opinions:

Statements: <b>Partnerships...</b>	Strongly Agree	Agree	Disagree	Strongly Disagree	No Reply
1.increase the continuity in policy	5	30	9	0	2
2.increase consistency in policy	6	30	8	0	2
3.increase the tendency to generalise policies	2	26	15	0	3
4.increase the structures for communication	10	29	5	0	2
5.provide a shared process of decision making	3	34	5	1	3
6.increase the level of trust between partners	10	28	4	2	2
7.increase cooperation between partners	9	31	4	0	2
8.increase understanding between partners	14	27	3	0	2
9.increase the time that it takes to make decisions	16	22	5	0	3
10.cause rivalry between partners	2	17	25	0	2
11.change organisations	0	24	19	0	3
12.cause partners to provide similar services	0	8	36	0	2
13.cause partners to become more alike	0	14	29	1	2
14.make it easier for personnel to move jobs to another partner organisation	1	19	23	1	2

15.cause power struggles between partners	6	18	20	0	2
17.cause more problems than they solve	2	2	32	7	3
18.provide access to more resources	7	28	8	0	3
19.help to provide a feeling of partners working towards the one goal	8	30	4	1	3
20.increase the ability to raise the level of funding	8	29	5	0	4

There are several issues to raise from the above table. The first eight questions are gaining opinion on the aspects of partnership which are often cited as beneficial to the organisation. It is therefore interesting to note that without fail the majority of respondents are in agreement that partnerships provide those perceived benefits to LECs.

Now, incorporating the theory of isomorphic pressure to change, where it is suggested that continuity, consistency and generalisation in policy may be interpreted as questions twelve to fifteen i.e. positive statements are changed to negative statements, the majority of respondents shift to disagreement. Either the continuity, consistency and generalisation of policies does not then imply that similar services and homogeneity will be resultant, or the perceptions of the employee towards partnership are such that no negative aspects of partnership on the organisation may be considered.

Additionally there are theories on formation and continuity of groups which suggests that over time relationships will be built (Napier & Gershenfeld, 1993).

The research showed that 83% (38) believed that the organisation had been in partnership to gain funds. In order to identify whether the theory of groups could be added to this area of research questions on the relationships built in partnership were asked. They indicate the following:

In your opinion when funding has ceased -

Question	Yes	No
1.Does the partnership disappear?	9	29
2.Are relations between the partners improved as a result of the partnership?	32	5
3.Do the partners continue building on the relations formed?	34	2

Again it appears that the majority of LEC respondents believe that partnership and inter-organisational relationship building has a positive effect on the internal organisation. The theory on groups also highlights similar difficulties to isomorphic pressure to change. For example group norms can have powerful effects on a group's productivity, goals, and expectations. Lichtman and Lane (1983) suggested that the effects of goal setting are regulated or moderated by the presence of group norms. It is pointless to ask whether group norms are good or bad just as it is pointless to determine that isomorphic pressure is good or bad. There however are fruitful questions to ask. For example, which norms help the group to achieve its purposes, and which are harmful and inhibiting? Which norms are compatible with the goals and values of the group, and under what conditions? How can the norms be changed or reconsidered to permit the group to achieve its purposes under conditions of maximizing its resources? (Bonacich, 1972; Ford, Nemiroff, and

Pasmore,1977; McGregor,1967). This can also be considered within the context of isomorphic pressure to change and the level of such pressure must be the key issue. Is it the case that there is a certain level which is beneficial to inter-organisational behaviour, change and progression? If indeed there is an optimum point then identification and evaluation of the indicators becomes of paramount importance.

## 7. Conclusion

The content of the questionnaire is such that it determines opinions of the LEC employees on partnership. The most obvious contradiction in the findings was the difference between:

- the answers on whether internal changes had made the LEC more like other organisations working in the field of economic development i.e. in terms of structure, objectives or internal policies, to which the replies fell almost evenly between agreement and disagreement and;
- the final question on whether in the respondents opinion the LEC has become like any of the partners through working in partnership, where 85% disagreed with this.

In conclusion, the research suggests that there is a gap between the theoretical perspective of isomorphic change and the opinions of the LEC respondents. However whether this is the case throughout all the organisations involved in economic development or whether the opinions are in agreement with the facts is yet to be determined. There are sufficient anomalies to continue to consider that isomorphic pressure is, or may be, significant in the field of economic development partnership working.

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