

Lateral structures revisited: conceptual refinement and empirical extensions

Anne Lise Fimreite & Torstein Nesheim

LATERAL STRUCTURES REVISITED: CONCEPTUAL REFINEMENT AND EMPIRICAL EXTENSIONS

This paper provides a conceptual refinement on lateral structures in organizations. Five theoretical points are presented. Further, two empirical extensions in the research on lateral structures are presented. Lateral mechanisms for coordination have been studied in two different Nordic contexts; in SAS Airline (Sweden, Denmark and Norway) and related to the Free Commune experiment in Finland, Sweden, Denmark and Norway. The authors describe and discuss the main findings from these contexts. Finally, some themes for further research are set forth.

Key words: Lateral structures, inter-departmental dependence, coordination.

1. INTRODUCTION

The study of inter-departmental relations in organizations should be an important field of inquiry in the 90's. Organisations who operate in complex and non-predictable environments (Kochan & Bazerman 1986), use complex and IT-based technology (McCann & Galbraith 1981), where jobs and departments are specialized (Mintzberg 1979), or where there are extensive internal transactions between departments. Colbjørnsen (1992) face dependencies, coordination challenges and potential conflicts between departments. Mechanisms such as conflict management through hierarchial referral or standardization of work processes, outputs or skill will be insufficient in handling such dependencies (Mintzberg 1979, Brett & Rognes 1986). Lateral relations may be an alternative mechanism for the management of inter-departmental dependencies.

* Acknowledgements – The authors would like to thank Tom Colbjørnsen and Dag Lotsberg for support and valuable comments.

From Galbraith's work we have learned that lateral structures such as standing committees and integrators may be important mechanisms for coordination between departments (Galbraith 1973, 1977). In this article we present a conceptual scheme and approach to the study of lateral relations which are based on Galbraith (1973, 1977), but go beyond his conceptualization of organizations as information processing systems. In the section our theoretical approach will be described. Then we describe lateral relations in "novel" organizational contexts; lateral mechanisms for coordination at the national level in SAS Airline in Sweden, Denmark and Norway and the lateral organization of the "Free commune experiment" in Finland, Sweden, Norway and Denmark. Finally, we offer some suggestions for further research based on the-discussion of the two cases.

2. LATERAL STRUCTURES: THEORETICAL APPROACH

Galbraith (1973, 1977) emphasizes the information processing aspects of organisations. His approach has its roots in March & Simon's (1958) cognitive perspective on organizing, but he also develops the theories of Thompson (1967) and Lawrence and Lorsch's (1967). Galbraith's basic argument is that the best way to design organizations is contingent on the information requirements inherent in the tasks to be executed. As long as these requirements are relatively low, rules and programs, hierarchy and goal setting are appropriate mechanisms. When task uncertainty increases through exceptions and unpredictable situations, the hierarchy tends to be "overloaded", and other design strategies must be found. The creation of lateral structures enables the organization to process more information and "permit the moving of decisions to lower levels of the organization and yet guarantee that all information is included in the process" (Galbraith 1973, 19).

The seven different lateral strategies proposed range from stimulating direct contact through integrator roles to matrix designs.

While Galbraith provides the basis for our thinking, it is about time that his approach to lateral relations is extended, 15 years on. The perspective taken by Galbraith is still accepted as conventional wisdom in the field of organization theory (see for example Mintzberg 1979, Child 1984, Scott 1987, Daft 1989). At this stage we offer a refinement of the theoretical position in five points:

1. If the organizational boundaries (Williamson 1975, Reve 1990) are taken as given, *internal* organization in departments and the design of lateral structures (to promote communication *between* units) are structural *alternatives* for coordination. For example: To handle dependencies between the various contributors to a product delivered to a specific market segment, one can group the contributors together in a market-based division or "overlay" a functional structure with product-group committees or brand managers.
2. On the other hand, once the administrative boundaries between units have been decided, they operate as *constraints* on lateral structures, because such boundaries define what become intra- and not inter-departmental dependencies. While hierarchical grouping and administrative boundaries may reflect attempts to minimize inter-departmental dependencies, there will most often be "residual" coordination tasks between departments (Thompson 1967, Mintzberg 1979). For example, if the organization is grouped according to the functional principle, in order to introduce new products several departments not ordered hierarchially will have to cooperate. Lateral structures can be a mechanism for such cooperation and coordination between departments.
3. In order to grasp the content of such horizontal relations, we have found the concept of *inter-departmental dependence* useful. There is such dependence if actions and policies pursued in one department have task-related effects for other departments. While Thompson (1967) and others speak of degrees of dependence – pooled, sequential and reciprocal – our conceptualization points to *different types* of questions and problems that arise across departmental boundaries. On the one hand different departments bring vital, specialized contributions to the outputs of the organization; e.g. products delivered to a certain market segment or decisions from a public agency. This *output* dependence is distinct from *technical* dependence, which refers to similar activities (f.ex. marketing, R&D) being pursued in separate departments. In organizations operating in several countries, which is not grouped according to geography there also is *national* dependence between departments. This concept refers to the role of territorial, political, institutional and cultural environments and the challenges of internal coordination in terms of these factors (Davis & Lawrence 1977, Ronen 1984).
4. As regards the conceptualization of the lateral structures, we will to some degree depart from Galbraith (1973, 1977). Lateral structures are defined as *non-hierarchical* relations between departments and groups, which to some extent are *formalized* and part of the *prescribed* structure of the organization. Unlike Galbraith, direct contact and matrix organization will not be included in the concept of lateral structures. Direct contact in principle embrace all horizontal task-related – relations, and should not be included in the formal structure. Matrix organization is more than a supplement to the hierarchy. It violates the principle of unity-of-command and creates qualitative different challenges compared to contact-roles and -groups. A typology of lateral structures is presented in Figure 1.
5. The study of lateral relations could benefit from sociologists' concern with the *dynamics of action and structure*. This concern is reflected in important theoretical contributions (Astley & Van de Ven 1983, Poole & Van de Ven 1989) in organization theory which point out that the action-structure tension – between structural forms and voluntaristic personal actions – exists at several levels of analysis. In the study of organizational roles (including liaison positions and integrator roles), for example;

"... theories can discern the systematic problems of selecting, socializing and controlling individuals for roles and positions in the structure on the one hand, and on the other hand, examine how the purposive actions of people over time restructure and renegotiate these roles and positions" (Poole & Van de Ven 1989: 570).

Taking a similar approach, contact-groups can also be conceived of in terms of this dynamic between prescribed structure and action. While

Number of units involved	Form of contact	
	Group	Role
Two	Project groups Standing committees	Liaison positions
Three or more	Project groups Standing committees	Integrator role

Figure 1: A typology of lateral structures.

the design of lateral structures may be a potential for exchange of information, coordination and conflict management between departments, the effects of such structures are dependent on the activation aspect; the actors' interpretation and reaction to the structure, development of trust and the actual interaction between representatives from the involved departments. By *design* of lateral relations we refer to characteristics of the prescribed structure. Three important design variables are hierarchial level, formal authority and representation and recruitment. The *activation* aspect can be exemplified with the following three variables: intensity, tasks and content and hierarchial intervention (Nesheim 1992).

The concepts introduced here represent an extension of Galbraith's scheme and have a theoretical value as such. Further, the concepts will be used in the description and analysis of lateral relations in two types of organizational settings; national coordination in three countries inside SAS Airline (Norway, Sweden and Denmark) and organization of the Free Commune experiment at the central administrative level in Norway, Sweden, Denmark and Finland.

3. EMPIRICAL SETTING AND DATA

While one contribution of the study lies in using a *refined conceptual scheme*, we also provide an *empirical extension* in the study of lateral relations. Previous empirical studies – often case-studies, descriptive articles and book-chapters (Burns 1989) – have emphasized product- and production-related questions inside or near the operating core. Lateral mechanisms near the top of the hierarchy, which handles more strategic questions have not been studied systematically. In this article we focus on lateral structures in previously neglected contexts. In SAS Airline, we study lateral structures at the *national level*

near the strategic apex. As regards the organization of the Free Commune experiment in the four Nordic countries, the context is the *central administration* of the state, where *decisions*, not products are the main outputs.

The data on SAS Airline was collected as a part of a research project on organizational design in large service organizations (Colbjørnsen 1987, Colbjørnsen 1992, Nesheim 1992). In a period of two years, over 20 managers and union representatives were interviewed. The interviews were supplemented by written documentation, mostly provided by SAS Airline.

The data on the organization of the Free Commune Experiment was collected as a part of the evaluation programme of the Norwegian Free-commune Experiment (Baldersheim 1991, Baldersheim & Fimreite 1990, Fimreite 1991). During the evaluation programme participants in the Norwegian, Swedish, Danish and Finnish Central administration were interviewed. Written documentation from each country supplemented the information from the interviews.

4. SAS AIRLINE: NATIONAL COORDINATION THROUGH LATERAL STRUCTURES

In SAS Airline, lateral structures were established to coordinate national dependencies in Sweden, Norway and Denmark. From 1986 until 1990 the macro-structure of SAS Airline was based on two principles of grouping, function (F) and market (M). The functional units comprise specialized activities such as technical, operative (air) and ground services while the market-based units were responsible for the delivery of the product "air travel" to individual customers (Figure 2). This L-form (Nesheim 1992) is the organizational context for national coordination. In the absence of grouping according to nation (units in Norway are parts of the F-units as well as the M-units RS Norway). National dependence became a question of inter-departmental dependence between units. Questions such as personnel policy, coordinated actions towards unions and relations to actors in the national environments involved several, horizontally ordered departments in each country. Taking Norway as an example (cfr. Figure 2) there will be a perceived need for coordination in such national questions between Traffic Services/Norway, Technical Division/Norway, Route Sector Norway and other units.

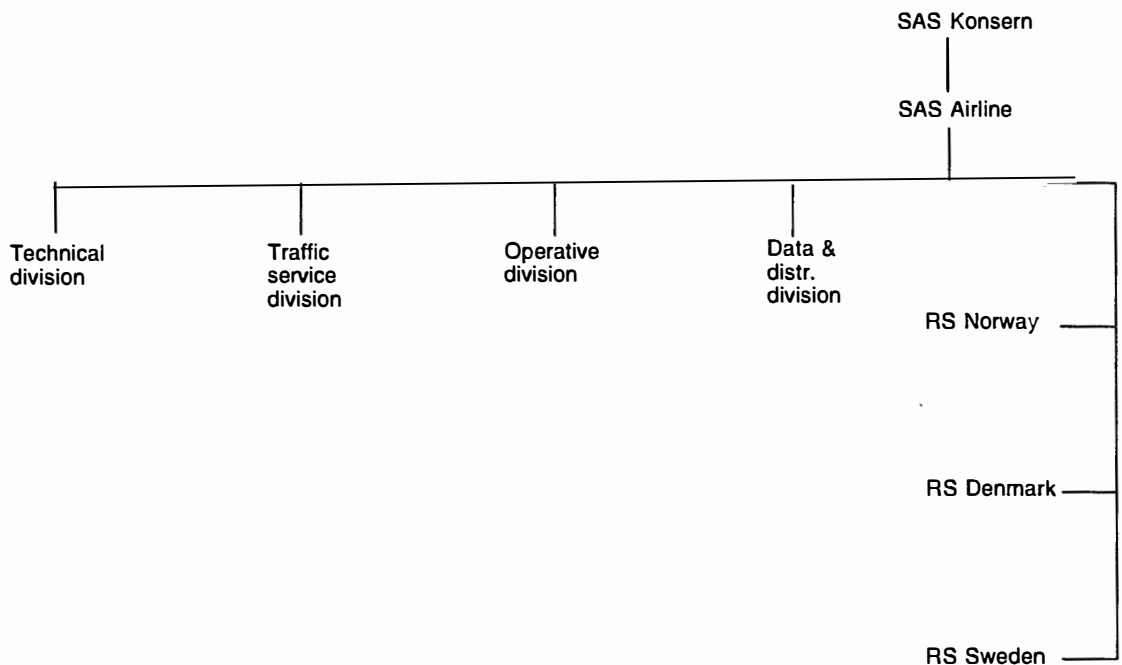


Figure 2: Macro-structure of SAS Airline 1986–1990.

In this context, with no Country Manager with hierarchical authority over all units in a country, two forms of lateral structures were established to enhance coordination between units in Sweden, Norway and Denmark; a *National Coordination Group* (standing committee) and various *national coordination roles* (integrator role).

National Coordination Group was established on local initiatives in Denmark and Norway in 1986, and in Sweden in 1988. The “core” of NCG was representatives (managers) from the Route Sectors, national units of Traffic Services Division and Technical Division, as well as the Personnel departments in each country. – The main function of NCG was not to make authorized decisions, although a few such decisions were taken. The committee was a vehicle for *information* exchange between the managers of the Airline-units, and for *consultation*, mainly in questions of personnel. A typical example is that the manager of one unit introduced a question of personnel policy in a case where he had the decision responsibility, but the decision had potential consequences for other units. When the matter was discussed in NCG, all units could have their say, and the line manager could base his

decision on this overall national evaluation of the question.

In quantitative terms as well as in perceived importance by the participants, personnel coordination and trade union relations were the main themes of NCG. These questions are part of the managers’ *employer* role. National coordination in SAS Airline therefore comprises inter-departmental dependencies in the execution of the employer role on part of line managers.

The *tasks* of the national coordinators were similar. On the one hand, the role incumbants were responsible for internal coordination between units in each country. This task fits well with the description of the integrator role in the literature (Galbraith 1973, 1977, Mintzberg 1979). They also had an internal function of representation, representing national interests at the Group (before April 1989) or Airline level. Thirdly, the coordinators were boundary-spanners (Aldrich 1979) pursuing external representation tasks, towards political authorities as well as the media. In their capacity as boundary-spanners one should aim at giving the company a “face” in each country, influence political decision-making and in general strengthen the legitimacy of SAS/

SAS Airline in the national environment. The characteristics of the national coordinator thus reveal a combination of two previously unconnected organizational roles, the integrator role (cfr. Galbraith 1973, 1977) and the boundary-spanning role (Aldrich 1979).

Three different types of coordinator roles have been identified. Until March 1989 there were no distinct coordination role inside SAS Airline. Responsibility for national coordination was integrated in total coordination tasks at the national level for the SAS Group. Airline coordination resided at the Group level, but the coordinator had no formal authority over managers of the national departments in SAS Airline (1). From April 1989 a distinct coordination role at the Airline level was created. This was designed as a part-time role to be combined with a line manager assignment. In Norway and Sweden the managers of the Route Sectors became coordinators, while the manager of the national department of Traffic Services was assigned to this position in Denmark (2). In 1990 the coordination role became a full-time assignment in Denmark and Norway. The national coordinator reported to the Airline COO (3). The differences between the roles are important because of the various constraints and possibilities they create for the incumbents. The *time* and *resources* available for national tasks obviously differ between the three role designs. Further, the placement at the Group level (1) and the combination with a line manager assignment and its "day-today" activities (2) create two different *bases of legitimacy* for the coordinator. The full-time coordinator (3) may have to base his position on personal trust rather than hierarchical position. The distinct coordination roles (2 and 3) create clearer lines of responsibility than the Group coordination role. Finally, the part-time assignment (2) may result in an inherent role conflict (partisan for unit interests vs coordinator of interests nationally) which is avoided in the full-time role (3). In addition to the instrumental functions of the coordinator, the *symbolic* aspects should be underlined. In the absence of a hierarchical Country Manager, the coordinator could be pointed out as the "leader" in each nation by employees and the public, as well as the one manager representing the employer towards unions. The importance of such a function has been underlined by various participants in SAS Airline. We set forth that one aspect of the symbolic aspect of leadership, is the perceived need for a "leader" for each socially defined unit (for example "SAS Airline Norway"),

even when this unit is not an organizational unit in a hierarchy.

Taken together, the standing committee and the coordinator were not alternatives, as conceived in the literature (Galbraith 1973, 1977, Mintzberg 1979, Burns 1989). Instead they were *closely connected*, because the coordinator was responsible for the cooperation in NCG. The coordinator's internal coordination tasks were to a large part "executed" through the NCG meetings. The lateral structures were supplements, not alternatives for national coordination.

If we turn to the *design* of the lateral structures, the differences are striking. The coordination role changed significantly at three points in time. The roles were designed at the Airline/Group level, and the roles were formalized in contracts and job descriptions. In other words, the roles were the outcomes of *conscious design* at the central level. In contrast, the characteristics of the standing committee were more stable, with some minor, gradual changes in representation and emphasis over time. Here, the managers at the national units were instrumental in the development of NCG. In terms of definition of tasks and responsibility, there were less formalization. The pattern are partly the outcome of *local incrementalism*; adaption over time to conditions at the national level.

If we compare the countries, there are similarities in "core" representation and tasks of NCG, as well as the coordination roles in most of the period. On the other hand, lateral structures tended to be *less important* in Sweden compared to Denmark and Norway. This is reflected in some *design*-aspects: NCG was established two years later in Sweden than in Denmark and Norway, NCG was supplemented by a broader based committee in Denmark and Norway, not in Sweden, a full-time coordination role was established in Denmark and Norway, but not in Sweden. As regards the *activation* aspects; in terms of intensity and frequency of meetings, NCG Sweden was the least important of the three committees.

Three supplementary explanations of this pattern will be proposed. First, the SAS headquarter was located in Stockholm. Managers of Swedish departments had *easier access* to F-unit managers, Airline COO and SAS Group COO than managers of the Norwegian and Danish units. Therefore, informal communication was more important in Sweden, and the perceived need for formal structures less than in Denmark and Norway. Secondly, the SAS Group COO (who was Swedish) was *active and well known* both inside

the organization and towards the media. The employees of SAS Airline and external actors perceived this manager as the "Swedish" face of SAS Airline, not the national coordinator.

Compared to Denmark and Norway, the national coordinator was overshadowed by the SAS Group COO. Thirdly, in Denmark and Norway managers and union representatives underlined the importance of *representing national interest* towards the headquarter in Stockholm. In Sweden this was perceived to be less important, as long as the actors had access through other informal channels and the SAS Group and Airline COO's were Swedes.

5. THE FREE COMMUNE EXPERIMENT: COORDINATION THROUGH LATERAL STRUCTURES

During the 1980s lots of reforms have taken place in the public sector in all the Nordic countries. Local government is an important provider of services in the public sector, and a change in the relationship between central and local government has been an important subject in these reform-efforts. The Free-commune experiment is one approach in reforming this relationship. Elaborated in Sweden and quickly adopted in Denmark, Norway and Finland, the Free-commune experiment has become a Nordic method for reforms in the local government. The idea of the experiment is that a sample of communes and counties, after applications to central authorities, can be given dispensations from laws, acts and prescriptions.

In each country the Free-commune experiment has to be carried out inside the *hierarchical, sector-based* central administration. Several ministries often become involved in one particular decision-process. There is a need for the actors involved to reach a common outcome. The *output* in the Free-commune experiment, therefore, is not products as in the SAS-case, but *decisions*; whether or not local government are allowed to try new solutions to their tasks and challenges. This implies interdepartmental dependency and need for coordination between ministries in the central administration. Because several ministries have to be involved in the same process, traditional, *hierarchical* mechanisms to handle coordination – rules, routines, procedures – will not function well. One solution to this challenge is the design and activation of *lateral structures*.

Two main strategies can be identified in the

Nordic countries. In Norway and Finland *new units* – integrator units – inside the central administration were established. The main tasks of these units were coordination between departments involved in handling applications. No such units were established in Sweden and Denmark. Here the responsibility for the experiment was given to the departments inside the Ministry of Interior which normally are responsible for questions concerning the local government in the hierarchical organization.

The units in *Norway and Finland* have no decision authority in the experiment, however. In Finland the decision authority is located in the sector ministries, in Norway by the Cabinet (later delegated to the Minister of Local Government). The main purpose of the integrator units are to consult involved ministries before a decision is made in order to provide involved actors (also outside the central administration) with information and to help the ministries to make the "right" decisions. All the Free-commune cases are handled by the project units in the two countries. The units also act as *spokesmen* for the experiment inside the central administration. The experiment is thus given attention, and other participants at the central level can recognize the experiment through the activities of the integrator units.

The tasks of the department(s) in the Ministry of Interior in *Denmark and Sweden* which is responsible for the experiment, are not very different from the tasks of the "Free-commune-units". The departments have no decision authority, and act as spokesmen, providers of information and preparer of cases. In Sweden all Free commune cases are handled by the department. In Denmark only about half of the cases go through the department. The rest of the cases are handled directly between involved sector ministries and the Free commune(s). There are no formal criteria for which cases that shall be handled directly and which must be handled through the department. Therefore it seems it is difficult to predict which part of the central administration that will be responsible for a specific Free commune case. In many ways this may create an uncertainty in the relationship between central and local government in Denmark which is not present in the other three countries.

The difference in the design of coordination roles and units seems to have important consequences for role performance. In that way the design may be said to effect the activation of the experiment. The degree of attention that the design of coordination roles permits is one impor-

tant factor. The units which are full time participants have more attention to the experiment than a department in a Ministry which has to handle other cases at the same time. The amount of commitment to the experiment is another factor which can explain differences in performance. The units have developed sort of an ownership to the experiment. It is their experiment, and they are committed to the result of it. For the departments the Free-commune experiment is just one task among other tasks they have to take care of. A third important factor in this connection is that the units were established to take care of the "Free-commune-experiment." From the very beginning their role were to handle interdepartmental relations.

In all four countries there are other lateral structures which can *supplement* the integrator units and the departments. In Sweden, Norway and Finland *task forces* are established to handle necessary contact at central level. Representatives from the actors involved are members of these groups. The main function of the groups is to prepare decisions. In these three countries there also exist *liaison roles* for the experiment in the ministries involved. There is a high continuity among the liaison persons. Their main tasks are to take responsibility for the experiment inside their own ministry, and to act as a receiver of information from the experiment from outside (from unit, department or communes).

In Sweden, therefore, the part-time participants in the departments are supplemented by rather formal lateral structures (liaison roles and task forces). In contrast to the other countries Denmark has established no formal lateral structures. Coordination occurs through informal, direct contact between actors involved. The contact is more decentralized and spontaneous here than in the other three countries. The amount of contact is rather random. Figure 3 gives an overview of lateral structures in the four countries.

As regards the lateral structures, the experiment seems to be *strongest coordinated* in Norway and in Finland. Here, new integrator units were established to handle coordination between ministries. These were supplemented by task forces and liaison roles. We will postulate that because of the extent of the lateral structures, the Free Commune experiment in these countries had a better chance to establish permanent changes in the relationship between central and local government than in the two other countries. Strong coordination means greater pressures on ministries at the central level to become involved

	Liansonrole	Task-force	Integrator
SWEDEN	+	+	
DENMARK	Informal contact		
NORWAY	+	+	+
FINLAND	+	+	+

Figure 3: Lateral structures in the Nordic Free-commune experiments 1987–1991.

in and committed to the experiment. In that way the Free commune experiment may be a part of their own procedures for reforms.

The coordination between the ministries have, however, been *problematic* in all three countries where lateral structures have been available. In the central administration a hierarchial, rule-based pattern of decision-making dominates. Coordination between departments on a lateral – and not hierarchial basis – is not easy to implement.

When several bureaucratic organized ministries, as in this experiment, are involved in the same cases, there will be uncertainty and conflict about which ministries' rules, routines and procedures that shall be decisive. Negotiations concerning this have therefore become important as a way of making decisions.

However, negotiations between administrative units often lead to a solution which all parts could not agree upon. The political level in the central government therefore was activated to solve conflicts between departments. This option was often used in Norway. When the ministries involved could not agree, there was an intervention from the *political* level. In Sweden and Finland this opportunity was also used, but not as often as in Norway. In Denmark it was rarely used, probably because political attention to the experiment was lower here than in the three other countries.

As regards the *design* of the lateral structures, Sweden was the first country to introduce the Free commune experiment. The experiment became a part of the ordinary tasks in the bureaucracy. Denmark chose some sort of adhoc-organization. Norway had a more conscious attitude to design and chose a "Free-commune-unit" which could act both as an integrator and as a boundary spanner. Finland chose nearly the same solution as Norway without any knowledge

<i>Dimension</i>	<i>SAS Airline</i>	<i>The Free Commune experiment</i>
Organizational context	One organization, based on market and functional grouping	Central administration in four countries, hierarchical, rule- and sector-based
Interdepartmental dependence	National dependence between departments; personnel policy, relations to trade unions and other themes	Output dependence (related to decisions) between ministries involved in applications from local government
Lateral structures	Standing committee Integrator role (national coordinator)	Integrator units Task forces Liaison roles
Points of interests	Lateral structures are supplements, not alternatives Functions: Information exchange rather than decision-making	
	Identification of BSI roles Integrator role: Various types Symbolic functions Differences in the design of roles vs. standing committees	Integrator units Spokesmen for the experiment Design effect activation Political intervention
Main differences	Sweden vs. Norway/Denmark	Norway/Finland vs. Sweden/Denmark
Explanations of differences	Location of HQ	Political attention Degree of uncertainty and inter-dept. dependence

Figure 4: Lateral structures: Overview.

of the Norwegian unit. The Finns wanted something different from the Swedish design.

In all four countries there seemed to be conscious decisions behind the design but adjustment is also a central part of the development of the organizations after 5 years of experiments. *Three* factors can be said to explain differences in lateral structures: degree of attention, decision rights and design of the Free commune acts. These factors create variations in interdepartmental-dependence and task-uncertainty at central level in the four countries and in that way they can have effected the design. The political attention to the experiment is lowest in Denmark. The decision right concerning whether a local project should be accepted or not, is in all countries – except from Norway – given to the sector ministries. In Norway it is the Cabinet which have this authority. This in many ways means more interdepartmental-dependence at central level in Norway than in the other three countries. The Free commune acts are fairly clear in Sweden and Denmark. From that act you can tell which

local projects that can be accepted and which that have to be turned down. In Norway and in Finland the Free commune acts are less specified. It is not clear from the act which local projects that can be accepted and which that have to be turn down. This creates more task-uncertainty in the Norwegian and Finnish Free commune experiment than in the Swedish and Danish experiments.

6. SUMMARY AND FURTHER RESEARCH

We have described characteristics of lateral structures in two types of settings, related to national coordination in SAS Airline and coordination in the Free Commune experiment in four Nordic countries. These are empirical extensions as regards empirical studies of lateral structures, and is a contribution as such. Figure 4 summarizes the main points of the empirical studies.

Our purpose has not been to compare the two cases in terms of differences. Rather, lateral

structures have been discussed based on a refined conceptual scheme, to reveal interesting points on such non-hierarchical coordination. On the basis of this study we can extend conventional wisdom on lateral structures.

As regards the *integrator role*, we will point out two sets of findings. First, in the Free Commune experiment, an integrator unit rather than an integrator role was established to handle coordination between departments (Norway and Finland). This can be regarded as a difference of degree, cfr. Mintzberg (1979) conceptualization of the integrator role: "A new individual, *sometimes with his own unit*, is superimposed on the old departmental structure and given some power that formerly resided in the separate departments (Mintzberg 1979: 165, our italics). To establish a new unit – and not merely a new role – implies that more attention, commitment and resources are allocated to the inter-departmental tasks in hand.

Secondly, the observations from SAS Airline have revealed a combination between two previously unconnected roles; integrator and boundary spanner ("BSI"-roles). The integrator can have *different bases of legitimacy*, according to his hierarchical basis. Further, the *symbolic* functions of the integrator – fulfilling the perceived need for a leader of a socially defined unit – could be the point of departure for new and interesting research questions.

Conventional wisdom – as reflected in Galbraith's own work and recognized readers on organizational theory (Scott 1987, Daft 1989) and structure (Mintzberg 1979, Child 1984) – still regard the various forms of lateral structures as alternatives. We have shown that in both settings various structures were *supplements* and not alternatives in coordination related to inter-departmental dependence. Further research could go into how activation inside various structures complement each other, and how they interrelate.

A finding from SAS Airline provokes the question of how lateral structures are actually *designed*. While the integrator roles were designed at the central level and formalized in contracts and job descriptions, the standing committee developed incrementally over time. Is this a general pattern in the design of contact-roles and groups, and what are the consequences of this pattern?

As regards the function of lateral structures, this is not only related to decision-making. We have shown that exchange of *information* was one of the central functions of the various structures. In-

formation can be regarded as the basis of decision-making. However, decisions were often made in other arenas or levels than in contact groups and by integrators.

Design and *activation* are two related aspects of lateral structures. On the basis of observations from the Free Commune Experiment, we propose that design affect activation through three mechanisms; allocation of attention, commitment and part-time vs full-time assignments. Further research should explore the relations between the design of and actual interaction and performance of lateral structures.

A specific trait of the central administration is the hierarchically connection to the *political* level, directly to the head of the ministries and indirectly to Parliament and MP's. One finding from the Free Commune study is that political intervention was often used, but the extent of it varied between countries. An interesting question is the degree of political intervention when tasks are organized through lateral structures. Can political intervention be accounted for by the culture that emphasize hierarchy and rules or are other factors important? How can differences in political intervention be explained?

Finally, the study provides us with some ground to discuss *differences* in lateral structures. As regards intraorganizational differences, we would suggest that they often are related to the localization of the headquarter. National units co-located with the headquarter have easier access to the strategic apex. Coordination in national questions therefore can be handled in an informal mode, rather than through formalized lateral structures (cfr. SAS Airline). As regards differences between organizations (cfr. Free Commune study) three determinants have been suggested; political attention, degree of uncertainty and degree of inter-departmental dependence.

REFERENCES

- Aldrich, H. (1979): *Organizations and environments*. Englewood Cliffs, N.J.: Prentice Hall.
- Astley, W.G. and Van de Ven, A.H. (1983): "Central perspective and debates in organizational theory", *Administrative Science Quarterly*, 28 (June): 245–273.
- Baldersheim, H. (1991): *Frikommuneforsøket: Fornyning av statkommuneforholdet i Baldersheim* (ed): *Hovr skall grensen gå?* Oslo: Kommuneforlaget.
- Baldersheim, H. and Fimreite, A.L. (1990): "The Scandinavian "Free Commune" programmes: Lessons for reformers?" Paper presented at the IPSA Research Committee in Local Government in Eastern and Western Europe.

- Brett, J.M. and Rognes, J.K. (1986): "Intergroup relations in organizations", in Goodman, P.S. et al.: *Designing effective work groups*. San Francisco: Jossey-Bass: 202-236.
- Burns, L.R. (1989): *Leadership and organizations*. London: Routledge and Kegan Paul.
- Child, J. (1984): *Organization: A guide to problems and practice*. London: Harper and Row.
- Colbjørnsen, T. (1987): *Ledelse og styring av tjeneste-produksjon*. LOS-notat nr 2. Bergen: LOS-senteret.
- Colbjørnsen, T. (1992): *Reisen til markedet*. Oslo; Tano.
- Daft, R.L. (1989): *Organization theory and design*. St. Paul, Minnesota: West Publishing.
- Davis, S.M. and Lawrence, P.R. (1977): *Matrix*. Reading, MA: Addison-Westley.
- Fimreite, A.L. (1991): *I grenseland. Statsmyndighetenes og kommunenes samspill i frikommuneforsøket*. Rapport nr. 1 Bergen: LOS-senteret.
- Galbraith, J. (1973): *Designing complex organizations*. Reading, MA: Addison-Westley.
- Galbraith, J. (1977): *Organization Design*. Reading, MA: Addison-Westley.
- Kochan, T.A. and Bazerman, M.H. (1986): "Macro Determinants of the Future of the Study of Negotiations in Organizations" in *Research on Negotiation in Organizations*, Volume 1, pages 287-309.
- Lawrence, P.R. and Lorsch, J.W. (1967): *Organization and environment*. Boston: Graduate School of Business Administration.
- March, J.G. and Simon, H.A. (1958): *Organizations*. New York: John Wiley.
- McCann, J.E. and Galbraith, J. (1981): "Interdepartmental relations", in Nyström, P. and Starbuck, W. (eds): *Handbook of organizational design*. New York: Oxford Press.
- Mintzberg, H. (1979): *The structuring of organizations*. Englewood Cliffs; N.J.: Prentice-Hall.
- Nesheim, T. (1992): *Organisasjonsstruktur og nasjonal samordning*. Avhandling for graden dr.oecon ved Norges Handelshøyskole. Bergen: LOS-senteret.
- Poole, M.S. and Van de Ven, A.H. (1989): "Using paradox to build organization", in *Academy of Management review* 4, 562-578.
- Reve, T. (1990): "The firm as a nexus of internal and external contracts", i Aoki, M. et.al.: *The firm as a nexus of treaties*. London: Sage.
- Ronen, S. (1986): *Comparative and multinational management*. New York: John Wiley.
- Scott, W.R. (1987): *Organizations: Rational, natural and open systems*. Englewood Cliffs, N.J.: Prentice-Hall.
- Thompson, J.D. (1967): *Organizations in action*. New York: MacGraw-Hill.
- Williamson, O.E.: (1975): *Markets and hierarchies*. New York: Free Press.