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Not just location: LEAs and inequalities among schools

Not just location

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Abstract

Purpose – With growing decentralization, local education authorities (LEAs) face new tasks and responsibilities in providing schools with administrative services and resources. This study aims to use a multilevel framework to assess the extent to which LEAs differentially affect the provision of resources and administrative services to schools, and the differential extent to which organizational effectiveness and LEAs' corporate social capital account for between-LEA variation in these outcomes.

Design/methodology/approach – Using an Israeli national sample of 464 schools in 76 LEAs, the study uses an HLM methodology to test which of the two theoretical models best fits the data.

Findings – The analysis reveals that background characteristics of a locale are not related to administrative services and resources that LEAs provide to schools in their jurisdiction. In contrast, LEAs do differentially affect these services and resources, with the variables of organizational effectiveness accounting for most of the observed inter-LEA inequalities.

Research limitations/implications – The study is based on cross-sectional design, therefore precludes any causal definitive conclusions.

Originality/value – The study concludes by suggesting that inequalities in LEAs' organizational capacities trickle down to the school level and LEAs are important organizational units in any attempt to curb inequality of service to students.

Keywords Schools, Local authorities, Decentralized control, Israel

Paper type Research paper

Introduction: local capacity and inequality

Privatization and the decreasing reach of welfare state policies challenge many countries to balance free-market, libertarian economic principles with egalitarian social ideologies (Coleman, 1976). Seeking to decrease and deregulate their investment in different public services, governments are nonetheless challenged to gain legitimacy by providing equal services to all citizens, irrespective of residential locale. In doing so, governments empower local authorities to provide services and funding for local operations. In response, local education authorities (LEAs), which gain expanded roles vis-à-vis their local schools, are thus challenged to cater for schools by providing efficient administrative services and increased resource provision.

During the past two decades the Israeli Central Government has constituted the direct election of mayors (Peterson, 2000; Murphy, 1980, Thompson and Brodsky, 1997,

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Dery, 1998) and increased democratization at the local level (Hansen, 2001). It demanded that local authorities change practices and make innovations in resource procurement and service provision (Sanderson, 2001; Carmeli and Cohen, 2001). Adopting the globalized rhetoric of decentralization and efficiency, the government sought to increase resource provision and services by local authorities (Gaziel and Romm, 1988; Carmeli and Cohen, 2001; Dery, 1998). Maintaining its legislative authority, the Israeli Government passed binding laws that compel local authorities to make universal investments and provide equal services to schools and students across the country (e.g. maximum class size and requisite special education services). However, tightening budgets and national political maneuvering have decreased the monetary provisions allocated by the Central Government to local authorities, thereby causing many of the latter to function within dire economic constraints.

A significant share of the resources available to local authorities is derived from local taxes. Unequal distribution of commercial, industrial and governmental activities constitutes a major cause for the unequal economic standing of different municipalities. The economic status of local residents also affects community infrastructures. Poor residents are usually exempt from local taxation, and the uneven distribution of poverty in Israel provides different communities with varying economic infrastructures. With growing decentralization, inequalities in resource provision at the local level have increased.

Under these circumstances, some authorities find it difficult to "invest" resources in education. The result is that since 1990, the central government carries a larger burden, with the aggregate share of the local authorities falling by 30 percent – from 9 percent of the budget to 6 percent by the end of the decade. Consequently, citizens in different locales enjoy different opportunities, with estimates pointing to differentials of up to 300 percent in per-pupil inputs.

Inequalities between local authorities may have decisive educational, social and political consequences. While inequalities in educational provision to local schools may result in average achievement differentials between locales, they merit interest in their own right as they contradict egalitarian state policies and the state's universal responsibility *vis-à-vis* the citizen[1]. Furthermore, as a result of differences in local capacities (Spillane and Thompson, 1997), schools and teachers in different locales may enjoy utterly different conditions in their pursuit of educational objectives and mandated outcomes. As the Israeli State Comptroller claimed a few years ago:

The broad differences between LEAs in overall per-student public provision means that the quantity and quality of educational services provided for a student in one locale are utterly different from those provided in another. Education is the major vehicle for giving each child an equal opportunity to progress according to his or her talent. But under current conditions, there is a severe fault in the implementation of the principle of equal opportunity, and an allocation of resources for students from disadvantaged backgrounds at less than the desired level. There is no justification for a child in one locale being given much lesser services than children in other places, simply because the place he or she lives in receives few resources by the Ministry of Education or invests little of its own budget in education. (The Israeli State Comptroller).

Growing financial strain on local authorities (Carmeli and Cohen, 2001) increase the challenges LEAs face. Bound to maintain services to schools and students, LEAs are forced to become more effective and form collaboration networks to provide schools

with “more from less”, a principle adopted from corporate contexts (Kanter, 1989; Kanter *et al.*, 1992; Riley, 1997). As the State Comptroller argued, local authorities significantly differ with respect to the efficiency and timeliness of administrative services they provide to their local schools (such as student assignment, budgeting, purchasing, bussing, security, etc.). They are also unequal in terms of their local investment of resources in school operations, over and beyond the basic costs of schooling, which are directly provided by the state. Aware of the problematic standing of many municipalities, the Ministry of Education seeks alternatives to the current division of labor in educational governance. One such method is the adoption of school-based governance (Nir, 2003)[2]. Another is the attempt to bypass local authorities by confederating several of them[3].

Despite these changes in the governance of education, there is no definitive study of the role of LEAs in affecting inequality between schools. The current study seeks to fill this lacuna by examining inequalities between LEAs in the provision of administrative services and school resources. It does so by assessing principals' impressions of LEAs' provision of resources and services to schools in Israel. The paper also uses this exploratory investigation to answer a theoretical question, namely how LEAs manage to be effective – by becoming more effective organizationally or by building up their corporate social capital.

After reviewing the organizational standing of LEAs in Israel and the growing concerns over inequality in LEAs' capabilities, this paper reviews the scientific literature about LEAs. It proceeds by reviewing two types of organizational models – effective organizations and corporate social capital studies – and provides general hypotheses about the effects of these organizational attributes on administrative services and school resources. The exploratory empirical study then models these hypotheses. The paper concludes with a general discussion of the role of LEAs in affecting regional and social inequalities among schools.

LEAs in Israel – growing expectations in dire straits

Since the British Mandate in Palestine, the Israeli educational system has branched into two authority systems. The powerful central Ministry of Education is in charge of the “soul” of education, namely curricula, teacher certification, school finance, educational intervention programs and the setting of achievement standards. In contrast, subservient LEAs were traditionally expected to handle only the “physical” infrastructure of schools: buildings, cleaning, furniture, secretarial services and renovations. Under this organizational division of labor, LEAs were largely uninvolved in the operation of school programs and instruction.

During the past two decades some LEAs have gained ever-increasing power and informal responsibility with regard to the provision of educational services and resources. In certain places, LEAs lead their local schools in educational and instructional reforms. Schools in such areas enjoy a greater number of programs, more diversified curricula and less crowded classrooms. Other LEAs, however, are less inclined to increase their involvement in providing resources and services. Such differences in the capacity of LEAs to assume a more diversified array of tasks possibly increase inter-locale inequalities in educational provision to schools.

As in other countries, Israeli policy-makers regard the growing importance of LEAs with caution (Hall *et al.*, 1993; Tipple, 1998; Winkler, 1993; Lauglo, 1995). Many are

concerned that differences in LEAs' capacities will exacerbate social and regional inequality, making education in some places a haven while in others a nightmare (Wenglinsky, 1997; Kozol, 1991; Prawda, 1993). As one official from a national teachers' organization stated to the researchers:

Parents of high ability students or from high socioeconomic backgrounds are not interested in desegregated schools. They therefore report false addresses to get into a more prestigious school, or pressure the mayor to change assignment boundaries or to have an "exceptions committee." There is now tremendous pressure to uplift catchment areas; but selection into schools will eventuate in schools for the poor and those for the rich. It is against the aims of the Ministry of Education, and politicians close to the local electorate will not withstand the pressure. The more authority they command the more public pressure will they have to withstand.

Obviously, then, state officials find it difficult to justify policies that will cause or expand inequality in services and resources between schools and locales. Furthermore, as in other national settings, the public and political expectations of LEAs are coupled with criticism of stark inequalities in the amount that LEAs spend per student and on school programs (Wenglinsky, 1997; Caldas and Bankston, 1999; Kozol, 1991). To confront such inequalities, state officials seek to empower and "modernize" (Wollmann, 2000) local level organizations in order to minimize inter-locale inequalities. However, such empowerment is usually devolved to "strong" authorities, while weaker ones are scrutinized by managerial controlling mechanisms so as to guarantee at least minimal standards (Sanderson, 2001).

LEAs and school districts: scientific background

Previous studies of school districts (Bidwell and Kasarda, 1975) and LEAs have shown that these organizations exhibit different capacities to translate national or state policies into local programs and educational provision (Spillane, 1996; Spillane, 1998b; Spillane, 1998a; Spillane and Thompson, 1997; Radnor *et al.*, 1998). Several studies have also pointed at inequalities between school districts (in the USA) and LEAs (in England) in their capacity to finance and operate the schools under their jurisdiction (Wenglinsky, 1997; Levacic and Hardman, 1998; Kessler-Sklar and Baker, 2000).

Despite the educational and political turmoil surrounding LEAs' functions, a thorough scan of the sociological literature suggests that LEAs are under-studied. Although American school districts have received some attention from sociologists (Bidwell and Kasarda, 1975; McGuire, 1984; Kessler-Sklar and Baker, 2000; Caldas and Bankston, 1999; Wenglinsky, 1997; Strang, 1987; Meyer *et al.*, 1987), these school districts differ substantially from the Israeli organization of educational provision through LEAs. In any case, most studies that refer to LEAs and school districts regard them as sites where educational research can take place, yet disregard them in and of themselves. This disinterest probably results from the traditional role of LEAs as mere local bureaucracies, traditionally uninvolved in any "real" educational decisions or consequences. It is possible that the administrative service position that LEAs have traditionally held succeeded in attracting only minor interest among researchers. Furthermore, sociologists have shown that school systems are loosely coupled, with LEAs having limited administrative control over schools and classroom instruction (Gamoran and Dreeben, 1986; Hannaway and Sproull, 1978-79; Meyer and Rowan,

1977). Thus, in general, researchers seem to regard LEAs as non-agents, largely incapable of affecting schools in their jurisdiction[4]. Not just location

Since most of the research available on LEAs and school districts is based on relatively small case studies, there is no sound quantitative information about inter-locale inequalities in the educational provision and administrative services provided by LEAs to local schools. In other words, we do not know the extent to which inequalities in school resources and administrative services are accounted for by organizational disparities between LEAs. This information boils down to several simple questions: Do LEAs matter? Is the "assignment" of schools to one or another LEA significant in terms of resources and the administrative services schools receive? Are LEAs able to surpass the restrictive effects of their socioeconomic positions? Can low-SES LEAs be so active organizationally that they provide their schools with services similar to those received by schools in high-SES communities?

If LEAs do differentially affect the services and resources provided to schools, the organizational roots of these differences need to be identified. Since there are indications that some places enjoy an abundance of resources while others anguish for minimal services (Wenglinsky, 1997; Spillane, 1996; Spillane and Thompson, 1997), it is crucial to know whether LEAs' organizational features and networking tactics actually affect these inputs for the schools they serve.

Organizational effectiveness and corporate social capital

Organizational literature provides two alternate models to describe why LEAs may differ in the input they provide to the schools under their jurisdiction. These alternatives are sometimes presented in terms of hierarchy versus markets (Williamson, 1975), or bureaucracy versus networks.

The organizational effectiveness model can be traced back to Weber's (1978) study of bureaucratic organizations. According to this approach (Blau and Scott, 1963), hierarchical, task-oriented, formal and coordinated organizations are best suited for the attainment of routine organizational aims. These organizations are deemed effective when goals and means are rationally and tightly aligned, when they function according to universal criteria of service, and when they minimize political intervention in administrative functions.

As the tasks of LEAs are increasingly complex and demanding, it is expected that the more effective a LEA is, the more it will be positively evaluated by clients (Kanter, 1989; Kanter *et al.*, 1992). Prior studies (McGuire, 1984; Hannaway, 1993) suggest that the more autonomy a LEA has from political and organizational intervention in its routine tasks, the more coordinated its work tasks are, and the more harmonious the relationships between intra-LEA units are – the better are the administrative services they provide for school operations. In other words, it is expected that routine services to schools will be contingent on the internal organizational functioning of LEAs (Kanter, 1989; Kanter *et al.*, 1992). This approach leads to the following hypothesis:

H1 The higher a LEA's organizational effectiveness, the higher principals' assessment of their administrative services will be.

A second approach to organizational success suggests that the corporate social capital an organization commands decisively affects its ability to prosper (Leenders and Gabbay, 1999). The corporate social capital model draws on the recent profusion of

sociological studies which show that the social capital of organizations makes a difference in diverse competitive arenas (Burt, 1992; Coleman, 1990). Theories of corporate social capital (Leenders and Gabbay, 1999; Knoke, 1999) suggest that the ability of an organization to form many and independent working networks with other actors elicits two kinds of assets: information and control (Burt, 1998, 1992). These characteristics refer to: LEAs' information about other organizations that can supply funds and programs to local schools and communities, and their ability to "match" funding sources with external organizations in order to provide more services with the limited resources they have at their disposal. The more information a LEA has, and the more it is able to control and broker between other organizations and foundations, the more effective it is predicted to be.

In some respects, increased local responsibility and the fragmentation of funding to schools requires LEAs to become brokers, go-betweens and gatekeepers (Meyer *et al.*, 1987; Strang, 1987; Corra and Willer, 2002). In fact, LEAs function as boundary-spanning organizations (Goldring, 1995), linking external suppliers and schools via their own internal administrative infrastructure. In that capacity, LEAs are like "matchmakers" – having to find appropriate programs, foundations and amenities, and match them to specific schools (Riley, 1997). As LEAs gain more responsibility for supporting schools, and as they are facing increasingly tight budgets, they have to "make more with less" by networking with other educational providers and entering into cost-sharing partnerships (Riley, 1997). As major scholars in the field suggest, "Such an administrative system can develop the competence to search out funding prospects and adapt to changed funding potentials, can learn to conform to program and reporting requirements more readily, and can develop relationships that smooth over the whole process" (Meyer *et al.*, 1987, p. 192).

This argument suggests, then, that the amount of resources a LEA can provide to its schools is contingent on its corporate social capital. The following two hypotheses conceptualize two facets of this idea and predict the following:

- H2 The greater the number of organizational relationships between a LEA and different agencies in the Ministry of Education and the public sector, the higher the supply of resources to schools, as reported by principals.
- H3 The greater the number of cost-sharing partnerships between a LEA and agencies in the central Ministry of Education and bodies in the public sector, the higher the supply of resources to schools, as reported by principals.

These hypotheses differentiate between the mere existence of working networks (e.g. meetings through which LEAs gain information – H2), and joint investments and partnerships of LEAs with other interested organizations (a cost-reducing strategy which allows for more input into schools from fewer local investments – H3).

While the previous depiction presented the organizational effectiveness and corporate social capital models as alternatives, there is reason to believe that an additive model will provide a more accurate explanation of inter-locale inequalities in educational provisions. In a way, complex and fragmented environments require multi-code organizations, a lesson learnt in large corporations (Kanter, 1989; Kanter *et al.*, 1992). The need to achieve more (tasks, results, funding, etc.) with less (manpower, resources, time, etc.) challenges organizations to combine apparently contradictory features: bureaucracy with entrepreneurship; hierarchies with markets;

formal charters with informal networks. As many decision makers claim, the changing environments of local education authorities necessitate organizational change (Yair, 2000). The fact that many LEAs lack the organizational capacity to rise to the challenge of changing environments (e.g. school autonomy, parental choice, private foundations, etc.) may partly explain the wide disparities in educational provision to local schools.

The study

This study is based on an Israeli nation-wide assessment of the roles and functions of LEAs. It emerged from a concerted effort by different agencies to empower LEAs and guarantee the equal provision of educational resources and services to schools, students and parents.

Analytic rationale

Provision of resources and the supply of time-sensitive administrative services to schools have two sources of variation. The first is an inter-school component, which reflects the unique characteristics of the school and its relationship with the LEA. The second is an inter-locale component, reflecting the average, cross-school provision of resources and services that varies between LEAs. While the first source no doubt accounts for most of the variation, the inter-locale component is regarded as socially problematic by government. Theoretically, inter-locale variation and the factors that affect it should provide revealing evidence regarding the effects of organizational effectiveness and corporate social capital on the capacity of LEAs to supply schools with necessary provisions. Consequently, the current study uses an HLM methodology (schools within LEAs) to focus on inter-LEA sources of variation and assess the extent to which organizational differences between LEAs correlate with provision of time-sensitive administrative services and resources to schools.

Samples

The study is based on two major groups of respondents: school principals (as clients) and heads of LEAs (as representatives of their LEAs). All principals in Israel (~3,000) were requested via a single-delivery mail survey to assess their LEA's functioning and its contribution to their school. A more extensive questionnaire was sent to heads of the 258 LEAs operating in Israel in 1998. Of those contacted, 1,344 principals responded to the questionnaire (a 45 percent response rate), as well as 120 LEA heads (a 46 percent response rate). While raising some concerns about possible biases in this self-selected sample, these response rates are actually normal for mail surveys which use a single mailing wave (Gall *et al.*, 1996; Fox *et al.*, 1988). Due to budgetary constraints, a four-wave mailing strategy could not be implemented in this study, a fact which likely accounts for the moderate response rate (Dillman *et al.*, 1974). After checking for missing data and outliers, the final sample for data analysis is 464 schools within 76 LEAs. At least two schools from each LEA had to respond in order to be included; a reduction in school numbers reflects the fact that LEA heads were the crucial factor. The size of LEAs varies from a small minority of large metropolitan centers (such as Petach Tiqva, with a population of almost 200,000 inhabitants) to many small-scale suburban or development towns (with fewer than 10,000 inhabitants). Consequently, 65 percent of the LEAs had only up to five responding schools within their jurisdiction,

with the remainder going up in scale to 74 responding schools within one large central city.

However, the final sample is nevertheless representative of the population of local authorities. Jewish locales comprise 68.3 percent of the sample as compared to 69.1 percent in the population. The sample also matches the population with respect to the distribution of types of locales (57.4 percent local authorities in Israel compared to 54.2 percent in the sample; 24.2 percent municipalities in the sample compared to 23 percent in the population). Locale size is almost equal (population average of 22,232 inhabitants, with SD of 52,784; in the sample it is 28,370). No difference is evident in the SES composition of the locales, with the sample average scoring 4.71 (expressed in deciles ranking with 1 as the bottom and 10 the top of the distribution). This figure is not statistically different from the population average of 4.84 (SD 2.34).

Variables

The construction of variables was based on a three-stage process. First, the organizational literature was used to extract major variables of the two models. Second, we used official regulations which stipulate the tasks that LEAs have to carry out to construct specific and valid items. Third, a focus group consisting of ten LEA heads read the questionnaires and improved specific items. It should be noted that the exploratory nature of this investigation precludes firm conclusions about specific constructs and measures.

1. *School-level variables.* LEAs are required by law to provide educational administrative services that allow schools to function properly. The operational topics are explicated in an advisory publication for LEA heads that spells out government expectations as codified in agreed upon regulations. We used this document to construct a series of 11 items that were used to tap principals' assessments of time-sensitive administrative services with regard to issues such as enrolment, budgeting, purchasing and transportation (mean of 3.15 and SD of 0.98, $\alpha = 0.87$; see Table I for exact items). Another item was used to tap principals' subjective assessment of the school resources provided by the LEA to supplement regular state resources ("How much, in percentages, does the LEA contribute to improving your

Table I.
Items measuring
principals' perceptions of
time-sensitive
administrative services
(exact wording)

	Is the LEA taking care of the following tasks in an expeditious manner?	Mean	SD
1	Student assignment	3.76	1.25
2	Planning and assignment of personnel	3.13	1.30
3	Budgeting	2.80	1.39
4	Construction and renovation of educational facilities	2.70	1.25
5	Purchasing and supplies	2.84	1.24
6	Computerizing schools	2.72	1.40
7	Controlling student attendance in school	3.53	1.28
8	Taxation and collection of educational fees	2.95	1.51
9	Organizing bussing and transportation	3.70	1.29
10	Maintaining school security	3.58	1.28
11	Supplying the needs of children with special needs	3.31	1.21

Note: Items are based on formal regulations which stipulate necessary provisions for school operations in local authorities. The interval scale ranges from 1 (not at all) to 5 (always). $\alpha = 0.87$

school work?" – with the question located within a section on funding which asked for monetary inputs, hours added and extra teachers). This subjective assessment serves as a proxy for resource input into the school. Such resources complement the universally provided funding by the Ministry of Education, which is largely based on student enrollment and slightly based on SES composition.

2. LEA-level variables. To assess the organizational effectiveness model we used six variables from the questionnaires sent to LEA heads (items and descriptive statistics are fully reported in Table II). A series of six items was used to measure organizational interference from higher echelons ($\alpha = 0.76$). Two items measured the amount of formality (or non-flexibility) of the LEA ($\alpha = 0.80$), and a series of 11 items was used to measure the extent to which the LEA successfully meets its requirement for administrative support ($\alpha = 0.85$). Four items served to measure organizational disharmony ($\alpha = 0.61$), five others measured organizational coordination ($\alpha = 0.75$), and four more were used to measure participative governance ($\alpha = 0.76$). Other variables measured the socioeconomic status of the locale (taken from the Ministry of Interior as percentile ranks), community size and ethnic background (Jewish or Arab).

The corporate social capital model was operationalized by summing a series of 22 dichotomous items about organizational working networks with offices in the central Ministry of Education (11 items) and public sector bodies (11 items). The exact wording stated: "Who did you contact during the past year as part of your routine work?" A different section asked the LEA heads: "Who did you contact this past year to get financial contributions to educational programs in your authority?" A similar list of 22 dichotomous items were summated to assess these cost-sharing efforts (e.g. "matching" made to finance programs and activities) made by the LEA with the Ministry of Education (11 items) and bodies in the public sector (11 items). These four summarized variables are referred to as corporate social capital in the analyses (see the Appendix for specific contacts used to calculate the variables). The correlations between these four variables range from 0.38 up to 0.64, with no evidence for multi-collinearity in the regression models.

Several LEA-level control variables are used. Size is measured as the number of inhabitants in a local authority (mean is 28,370; SD = 43,086). LEA SES is a decile-ranking composite variable constructed by the Israeli Central Bureau of Statistics, measuring demographic, educational, economic, employment and economic attributes of each LEA in Israel. The measure is periodically updated and scientifically assessed by the Bureau. Finally, Arab LEA is a dummy variable used to assess the difference between Jewish and Arab LEAs.

Analysis

HLM modeling serves as the major analytic technique in this study (Goldstein, 1987; Bryk and Raudenbush, 1992). For the two school-level dependent variables – time-sensitive administrative services and supply of school resources – the amount of inter-LEA variation was estimated first. This two-level variance component model is displayed as follows:

$$Y_{ij} = \beta_{0j} + r_{ij}$$

$$\beta_{0j} = \gamma_{00} + u_{0j}$$

Table II.
Items measuring LEA
Heads' descriptions of
organizational
characteristics (exact
wording)

	Mean	SD
<i>Organizational interference</i> ($\alpha = 0.76$; mean 2.15; SD = 0.74)		
<i>Stem: To what extent are problems in your LEA functioning caused by the following offices</i>		
1. The Mayor	2.57	1.41
2. Council member in charge of education	1.87	1.15
3. Council members	1.72	1.03
4. Finance department Head	3.12	1.24
5. Ministry area chief superintendent	1.79	0.89
6. Ministry local superintendents	1.92	1.03
<i>Stem: To what extent is the LEA attaining its functions?</i>		
<i>Formality</i> ($\alpha = 0.80$; mean 3.63; SD = 0.94)		
1. The LEA only functions in domains specified by law	2.34	1.09
2. Employees only do what their formal job description requires	2.36	1.04
<i>Administrative Support</i> ($\alpha = 0.85$; mean 4.04; SD = 0.44)		
1. Student assignment	4.57	0.54
2. Planning and assignment of manpower	3.82	0.81
3. Budgeting	3.47	1.21
4. Construction and renovation of educational facilities	3.83	0.91
5. Purchasing and supplies	3.97	0.82
6. Computerizing schools	3.85	1.07
7. Controlling student attendance in school	4.10	0.98
8. Taxation and collection of educational fees	3.45	1.11
9. Organizing bussing and transportation	4.48	0.59
10. Maintaining school security	3.98	0.98
11. Supplying the needs of children with special needs	4.37	0.75
<i>Organizational disharmony</i> ($\alpha = 0.61$; mean 2.14; SD = 0.69)		
1. Employees interfere in the work of one another	1.93	0.98
2. My employees limit my ability to work	2.24	1.09
3. Diffuse role and task definitions cause strains	2.40	0.96
4. Employees do not know their exact tasks and duties	2.05	1.05
<i>Organizational coordination</i> ($\alpha = 0.76$; mean 3.98; SD = 0.44)		
1. The organization is fit to answer school requirements	3.37	0.84
2. Each school operation has a responsible officer	4.04	0.81
3. Different departments coordinate work tasks	3.96	0.85
4. The department exhibits team spirit	4.14	0.92
5. The department coordinates with Ministry of Education	4.16	0.92
<i>Participative governance</i> ($\alpha = 0.70$; mean 3.14; SD = 0.73)		
1. The LEA invites teachers for educational discussions	3.26	1.16
2. The LEA invites its employees for educational discussions	3.48	1.08
3. The LEA invites parents for educational discussions	3.46	1.00
4. The LEA invites students for educational discussions	2.38	0.99
Note: All items measured on a five-point interval scale with 1 always representing a low score and 5 a high score		

where:

Y_{ij} is an outcome measure for school i nested within LEA j ;

β_{0j} is the mean outcome for LEA j ; and

r_{ij} is the residual of school i from the average within LEA j .

The average of the locale (β_{oj}) is predicted by γ_{00} , the grand mean of LEAs, with a locale residual (u_{0j}) left from this grand mean. Not just location

This model estimates the extent to which locales "matter."

Since the LEAs' average contribution (β_{oj}) is a major concern in this study, the second set of analyses seeks to account for its variance. Specifically, a series of LEA-level variables is entered into the regression equation to account for variation of (β_{oj}), as follows:

$$Y_{ij} = \beta_{oj} + r_{ij}$$

with $\beta_{oj} = \gamma_{00} + \gamma_{01} + \gamma_{02} \dots + u_{0j}$.

This model seeks to answer the following question: "Do LEAs differentially affect the input of services and resources to the schools under their jurisdiction?" while at the same time testing which of the two organizational theories fits the data better. The analyses were conducted using HLM5. It should be noted that school type (ordinary or special education), age-grade structure (elementary or high school) and size were unrelated to principals' reports of timely administrative services and extra funding. To save degrees of freedom, the HLM models excluded all school-level variables.

Since the major aim of this exploratory study is to compare the contrasting theoretical models (organizational effectiveness versus corporate social capital), and not to focus on the internal dynamics of each, the findings are reported in an overall fashion, without paying attention to effect sizes of specific variables. Future studies should improve the measurement aspect in order to increase accuracy in the structural model, and allow for better estimation of effect sizes. Finally, since this is a cross-sectional study, one should be cautious in interpreting the results. Causal statements should be accepted as tentative proposals that await a longitudinal research design.

Results

Does location matter?

The primary concern in this study is with the extent to which the "assignment" of schools to locales matters to principals' perceptions of the time-sensitive administrative services and school resources they receive from their LEAs. In other words, the question is: are there inter-locale inequalities in terms of both the traditional tasks of LEAs in supplying schools with administrative services, and their more recent task of contributing more resources to school programs and activities? To answer this question, two variance component models were estimated, one for each dependent variable. Table III provides the results for these models.

	Time-sensitive administrative services	School resources
Average – intercept γ_{00}	3.15***	42.66***
Between-school variation	0.46 (58.3)	575.17 (74.14)
Between-LEA variation	0.33 (41.7)	200.56 (25.85)
Reliability of between-LEA variation	0.69	0.548

Note: Percentages in parentheses

Table III.
Variance decomposition
of services and resources

As the first row in Table III shows, on a scale of 1-5 the principals assess the time-sensitive administrative services at 3.15. Their subjective assessment of the supply of school resources stands at an estimate of 42 percent over regular state resources. However, these average estimates conceal significant variations of LEAs' capacities to provide their schools with time-sensitive administrative services and resources.

Indeed, as the bottom three rows of Table III show, location does correlate with the input of resources into schools. There are statistically significant and substantial inequalities between locales both in terms of time-sensitive provision of administrative services and in the supply of educational resources. With regard to their traditional role – supplying time-sensitive administrative services to local schools – LEAs exhibit marked differences. About 42 percent of the variation in principals' assessments of the services they received from their LEA is accounted for by locale. Supported by a reliability coefficient of 0.69 (which estimates how different the LEA means (β_{oj} 's) are from one another), these results show marked geographical inequalities in the efficient provision of the administrative preconditions for schools to function.

Though of lesser magnitude, inter-locale inequalities in the supply of resources for educational programs are also statistically significant. Table III shows that LEAs account for 25.85 percent of the variation in principals' assessments of the resources they received from their LEA. A close look at the data shows that schools in some LEAs enjoy twice as many educational resources as those reported by the average school. In contrast, schools in other LEAs seem to have limited extra resources. The reliability coefficient for separating locales is only 0.54, but still supports the use of an HLM strategy.

Overall, these results show marked inequalities between locales. It is therefore necessary to ask the more crucial question, "Do LEAs affect the resources and services that reach the school door contingent on their organizational features, or are they captive of their socioeconomic setting?" Of major interest is whether their organizational characteristics explain the wide inequalities in their support of school operations.

Organizational effectiveness and time-sensitive administrative services

As Table III shows, 42 percent of the variation in principals' assessments of LEAs' provision of time-sensitive administrative services is found between locales. This section sets out to discover which factors account for this large variation. Three consecutive models are compared to a baseline model which controls for LEA size, SES and Arab sector. The corporate social capital model adds four variables to the regression equation (working relations and cost-sharing efforts with offices at the Ministry of Education and in the public sector). This model seeks to assess the extent to which LEAs' corporate social capital is related to the time-sensitive administrative services they provide to their local schools. The organizational effectiveness model seeks to estimate the extent to which organizational differences between LEAs account for the disparities in such services. Finally, the full model estimates the fit of the data with the additive conjecture, namely that organizationally effective LEAs with abundant corporate social capital are better than those which excel in only one of the strategies. Variables were consecutively entered in "blocks". The results of these four models are presented in Table IV.

Independent variables	Baseline model	Corporate social capital	Organizational effectiveness	Full model
Intercept	3.18 ^{*****} (0.25)	2.88 ^{*****} (0.80)	1.54 ^{***} (0.67)	1.04 (0.68)
LEA Size	-0.00 (0.00)	-0.00 (0.00)	0.00 (0.00)	-0.00 (0.00)
LEA SES	0.02 (0.03)	0.02 (0.04)	-0.01 (0.03)	-0.00 (0.03)
Arab LEA	-0.30 (0.21)	-0.26 (0.21)	0.02 (0.15)	0.05 (0.15)
Working networks – Ministry	-	-0.00 (0.04)	-	0.03 (0.03)
Working networks – public sector	-	0.02 (0.03)	-	-0.01 (0.02)
Cost sharing – Ministry	-	-0.00 (0.04)	-	0.00 (0.02)
Cost sharing – public sector	-	0.00 (0.02)	-	0.02 (0.02)
Organizational interference	-	-	-0.48 ^{*****} (0.09)	-0.50 ^{*****} (0.09)
Formality	-	-	0.12 [*] (0.07)	0.12 [*] (0.07)
Administrative support	-	-	0.42 ^{***} (0.15)	0.41 ^{***} (0.14)
Organizational disharmony	-	-	0.27 ^{***} (0.11)	0.27 ^{***} (0.11)
Organizational coordination	-	-	0.10 (0.11)	0.08 (0.10)
Participative governance	-	-	-0.12 (0.08)	-0.14 [*] (0.08)
Deviance	1096	1115	1071	1091
<i>Var. components</i>				
Between-LEAs	0.32	0.34	0.14	0.15
Within-LEAs	0.46	0.46	0.44	0.44
Percent between-LEA Explained	3	0	57	54

Notes: * $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$; **** $p < 0.001$; ***** $p < 0.0001$

Table IV.
HLM regression of
principals' perceived
time-sensitive
administrative services
on LEA organizational
features

As the baseline model in Table IV shows, LEA background variables have no effect on the estimate of educational services provided expeditiously to schools by LEAs. Arab educational authorities are perceived no differently than Jewish LEAs are by their clients, and there are no differences between large and small communities in these terms. Overall, these results suggest that the wide disparity between locales is not a function of size or socioeconomic and ethnic background of the communities.

The corporate social capital model is unable to improve the fit with the data (actually, the model fits the data more poorly than the baseline model), with null effects of the variables. These results suggest that LEAs' corporate social capital cannot account for the substantial differences between LEAs in terms of the administrative services they provide their schools. Administrative services are probably an internal task; partnerships and collaboration are therefore irrelevant in this regard.

In contrast, the organizational effectiveness model achieves a far better fit with the data, accounting for 57 percent of inter-locale variation. Specifically, the lower the level of organizational interference, and the more formally a LEA responds to clients, the higher the estimate of time-sensitive administrative services. Furthermore, the better the administrative infrastructure at the LEA and the higher the organizational disharmony, the higher the estimates of time-sensitive administrative services as perceived by principals.

The full model provides a somewhat lesser match to the data than the organizational effectiveness model alone, suggesting that organizational effectiveness characteristics account for the wide disparities in LEAs' provision of time-sensitive administrative services to schools. Inter-locale differences constitute 42 percent of the variation in LEA administrative services to schools, and this large share is significantly accounted for by inter-LEA differences in organizational effectiveness. These findings suggest that schools in effective LEAs enjoy better and more timely services. In contrast, schools in ineffective locales receive poorer services.

Corporate social capital, effectiveness and provision of resources

As Table III shows, 25 percent of the variation in principals' assessments of the resources they receive from their LEA is accounted for at the locale level. In this section I set out to test what organizational features explain this substantial inter-locale variation in the resources LEAs supply to schools. I use the same multilevel regression models, but with supply of school resources as the dependent variable. The results of the four models are presented in Table V.

Table V shows that inter-LEA inequalities in resource provision to schools are unrelated to the socioeconomic background of the population. In other words, LEAs' size, socioeconomic status and ethnicity cannot statistically account for the fact that schools in some local authorities get more resources than their counterparts in different LEAs[5].

The corporate social capital model offers no improvement over the baseline model. The results suggest that only working networks with the Ministry of Education come close to having a statistical effect. This suggests that the greater the number of working relations a LEA has with the Ministry of Education, the more resources it supplies to its schools ($\beta = 1.89$). Overall, however, the corporate social capital variables add little statistical information. This model cannot explain inequality in schools in different LEAs.

Independent variables	Baseline model	Corporate social capital	Organizational effectiveness	Full model
Intercept	40.81**** (8.03)	24.17 (22.61)	-24.91 (18.70)	-35.4 (21.5)
LEA size	-0.00 (0.00)	-0.00 (0.00)	0.00 (0.00)	-0.00 (0.00)
LEA SES	0.28 (1.19)	0.35 (1.12)	-0.94 (0.88)	-0.75 (0.83)
Arab LEA	2.93 (6.15)	4.80 (5.89)	9.73*** (4.63)	10.98*** (4.33)
Working networks – Ministry	–	-0.59 (1.47)	–	0.55 (1.09)
Working networks – public sector	–	1.89* (1.05)	–	0.63 (0.90)
Cost sharing – Ministry	–	0.43 (1.30)	–	-0.02 (0.74)
Cost sharing – public sector	–	-0.74 (0.60)	–	0.01 (0.51)
Organizational interference	–	–	-13.6**** (3.08)	-13.95**** (3.04)
Formality	–	–	3.62** (1.69)	3.35* (1.72)
Administrative support	–	–	9.46** (4.39)	8.56* (3.99)
Organizational disharmony	–	–	11.50**** (3.15)	10.83**** (3.11)
Organizational coordination	–	–	7.46** (3.45)	6.49** (3.17)
Participative governance	–	–	-2.01 (2.00)	-2.11 (1.98)
Deviance	4342	4332	4276	4269
<i>Var. components</i>				
Between-LEAs	217.36	213.92	67.72	69.03
Within-LEAs	574.26	575.28	574.16	576.79
Percent between-LEA explained	–	–	66.5	65.5

Notes: * $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$; **** $p < 0.001$

Table V.
HLM regression of principals' perceived resources on LEA organizational features

While the corporate social capital model does not improve the fit of data, the organizational effectiveness model provides a far better match, accounting for 66.5 percent of inter-locale variation in the supply of resources to schools. The regression coefficients suggest that the lower the organizational interference in a LEA by higher echelons, and the more formal it is in responding to client needs, the more resources it provides to its schools. Furthermore, the better the administrative support to schools, and the more coordinated the tasks, the greater the resources the LEA provides for school programs. Surprisingly, however, the higher the organizational disharmony at the LEA, the greater the resources it provides for school programs. While administrators' lives at the LEA might be less than harmonious, schools in such LEAs may benefit from the use of tactics of "divide and conquer".

The full model provides an overall test for the corporate social capital and organizational effectiveness hypotheses. Overall, the results clearly show that organizational effectiveness is the strongest predictor of the ability of LEAs to provide resources to schools. This model clearly suggests that it is primarily the dependence of the LEA on higher echelons at the locale level, its formality, its coordination of work tasks, its organizational divisiveness and its administrative infrastructure which statistically explain LEAs' contributions of resources to local schools.

Discussion

Growing trends of decentralization in Israel have given rise to much ambivalence (Weiler, 1993, Dery, 1998; Gaziel and Romm, 1988). On the one hand, local officials argue that central governance structures are too distanced from local communities, imposing state interests over a diversified populace. Critics argue that local democratic procedures – already introduced in local elections for city mayors – should be expanded, partly by decentralizing governance and financial arrangements in areas such as education. On the other hand, many officials fear that erosion of state control over education will greatly increase social disparities between different locales. Since cities in Israel are socially stratified, decision-makers are reluctant to transfer important issues (such as curricula, testing and certification) to the LEA level.

The current study has shown that these concerns are partly justified. Local education authorities are indeed stratified in terms of the resources and administrative services they supply to schools. That is, location within a specific LEA's jurisdiction is important to schools. This "random" assignment determines the provision of part of the infrastructure of school management and operation. Some LEAs provide their schools with many extracurricular programs, decrease the number of students per classroom and broker between public and cultural institutions (e.g. museums) and their local schools. In contrast, other LEAs exhibit little ability or interest in performing these roles, maintaining the traditional division of labor with the Ministry of Education. Such inter-locale differences in the quality and quantity of educational provision are visible, causing citizen mobilization and protest at critical dates in the political and educational calendars. Poor educational provision and services may even cut short the political careers of mayors and LEA heads.

Nevertheless, the results show that the wide disparities between LEAs are not accounted for by the socioeconomic background of locales. The size of communities and their social composition do not account for the geographical stratification of educational resources and services. Consequently, the state's concern over inequalities in education should not focus solely on socioeconomic and ethnic disparities. Rather, the Ministry of Education should monitor inter-locale inequalities while keeping in mind its promise that students should receive equal provision from public sources. In LEAs that fail to function adequately, the state can consider alternative means for guaranteeing suitable educational provision.

The hypotheses of this study sought to test what organizational features at the LEA level help to explain inter-locale variation in terms of resources and administrative services delivered. The corporate social capital model was used to estimate the effects of inter-organizational working and finance networks on the provision of resources and services. The organizational effectiveness model was used to assess organizational effects on resource provision to local schools. The results strongly support the organizational effectiveness hypothesis, with lack of support for the corporate social capital model.

The results show that politically and organizationally independent, flexible, coordinated, formal and internally competitive LEAs provide more resources and services to their schools, while organizational interference construct administrative bottlenecks and mediocre resource infrastructures. The strongest predictor of provision of both resources and services is whether LEAs suffer organizational interference from higher echelons in the administrative structure. Previous studies have shown that highly political environments produce conflicts (McGuire, 1984) and

centralization of school decision-making (Hannaway, 1993). The current results support this generalization, suggesting that the effects of political environments on LEAs are felt strongly at the school level. An alternative explanation suggests that LEAs may experience greater intervention precisely because they are seen by political actors to be lacking in the provision of services and resources to their schools. This cross-sectional study cannot adjudicate between the two explanations. Overall, the results suggest that state mandates for equal provision are filtered by a porous governance structure of LEAs, which vary by organizational capacity and political reality (Hannaway, 1993; Spillane, 1998b).

These results suggest that LEAs do indeed differentially affect the contributions that schools enjoy. In fact, organizational features of the LEAs account for 66.5 percent of inter-LEA variation in principals' assessments of the resources they receive from their LEAs, and for 57 percent of LEA-level variation in their reports of time-sensitive administrative services. Since socio-economic background, ethnicity and locale size do not affect the dependent variables, it is clear that between-locale inequalities in the provision of educational resources and services are correlated with the managerial practices at the LEA level.

Consequently, concerns over inequalities in education should lead to concrete attempts to improve organizational practices in organizationally "weak" LEAs. Inequalities may decrease by minimizing the intervention of local political actors in decision-making, increasing formality and universal criteria of allotment, and increasing the coordination of work tasks. Furthermore, in some cases intra-organizational competition for available resources may improve their utilization – pushing more resources downward to the school-level.

Differential organizational capacities of LEAs may increase inter-locale inequalities in the expeditious provision of services and school resources. Changes in the running of the Ministry of Education (e.g. closure of curricular units, contracting with private educational providers) alter the environment within which LEAs function. Such changes challenge LEAs to adopt features of a multicode organization, which would efficiently handle routine tasks and at the same time actively broker between clients and diverse suppliers (Riley, 1997). The many new tasks that LEAs are called upon to handle require local restructuring. Matchmaking capacities need to be integrated into the traditional bureaucratic structure; the market approach has to coalesce with extant hierarchies to make the LEA a responsive, boundary-spanning actor (Goldring, 1995; Riley, 1997). If many LEAs fail in this capacity, inequalities may reach such a level that they encourage state decision-makers to re-centralize the national provision of educational services and resources, or move toward school-based management, privatization and the total disbanding of LEAs.

As long as the central government disregards LEAs' effectiveness and exhibits confusion over required organizational development at the LEA level, inequalities in educational provision to schools are most likely to increase. Expecting LEAs to respond to a tightening national budget is not likely to change their capacity to rise to new challenges without some guidance. Prior research has indicated that LEAs differ in both willingness and capacity to assume new responsibilities (Spillane, 1998b; Spillane, 1998a; Spillane, 1996; Radnor *et al.*, 1998; Spillane and Thompson, 1997). The state's lack of control, and its muted concern with local-level administrative structures, is thus bound to construct local educational provision as a "free market" enterprise.

Paradoxically, however, the State of Israel has defined education as a basic right of citizenship. It expends ever-greater efforts to establish a structure for equal provision of resources and services, making itself increasingly vulnerable to public criticism and legal action. Criticism leveled by the State Comptroller over LEAs' educational provision reverberates back to the Minister of Education, and parental complaints reach the Israeli Supreme Court. Under these conditions, the state is more likely to exhibit concern over extant educational inequalities. Decision makers are thus pressed to rethink the development of local organizational capacity and educational responsibility. This study actually emanated from this concern over organizational capacity, providing yet more cause for alarm whilst indicating some initial ideas for improvement.

Notes

1. Critics may ask if inequalities in educational provision are really an issue. They might suggest that only achievement outcomes are important and that if locales do not matter in those student outcomes, then "Why bother?" In contrast, this paper suggests that financial provisions and administrative services to schools (and students) are legitimate concerns for Social Science studies even if disparate inputs are not correlated with achievement outcomes. The much-debated topic of "standards of opportunity to learn" (OTL) indeed suggests that provision is important in and of itself. The fact that achievements may be decoupled from school-level and locale-level inputs doesn't mean that administrative services and financial inputs are irrelevant - scientifically or politically. Many mayors have learnt that after elections.
2. The adoption of school-based management did not affect the legal standing of local authorities or their responsibilities. Therefore, this policy had little bearing on the current study.
3. This idea was raised during the 1990s and is currently being adopted by the Dovrat committee, a National Task Force nominated by the Government.
4. The traditionally inferior administrative position and theoretical predilections have thus caused LEAs to go unnoticed by academic institutions. In the Israeli case, for example, not one of the 921 academic courses delivered in the Departments of Education of three major universities in 1998 focused on LEAs; of the 242 lectures in the 1998 Annual General Meeting of the Israeli Society of Educational Research, not one was devoted to the analysis of LEAs policies and functions; in a different meeting, only eight out of 315 presentations referred to local aspects of education, and these were mostly provided by practitioners.
5. The coefficient for "Arab sector" becomes significant in the organizational effectiveness model, largely because LEA heads in this sector over-estimate the functioning of their LEA, largely due to cultural and political reasons (familial commitments).

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Appendix. Items used to measure corporate social capital

Variables are summated from positive answers to contacts and mutual funding with the following units:

- The Ministry of Education.
- Wing of Religious Education.
- Regional Chief Superintendent.
- General Superintendents.
- Administrators in central offices.
- Planning and construction wing.
- Budget wing.
- Special education wing.
- Psychological services center.
- Chief Scientist.
- Special populations wing.
- Foreign affairs.
- The public sector.
- Higher education institutes.
- Community centers.
- The CRB foundation.
- The Jewish Agency.
- Keren Kayemet.
- Other intervention programs.
- Firms and financial bodies.
- Center of Local Authorities.
- The Society for Economics.