Annett Zinsmeister: Schule – Ornament 2

Nils G. M. Brunsson, Prof., ist seit 1986 Inhaber des Lehrstuhls für Management und Organisation sowie Leiter des Institutes für Public Management an der Stockholm School of Economics. Er hat mehr als 18 Bücher und zahlreiche Artikel über Organisationen verfasst. Sein besonderes Interesse gilt Motivationsproblemen rationaler Entscheidungsfindung.

Athanasios Karafillidis ist Soziologe und befasst sich hauptsächlich mit Organisation, Netzwerktheorie und Formmodellen.

Nils G. M. Brunsson im Interview

Organizing Failures

Renowned organization theorist Nils Brunsson from the Stockholm School of Economics talks about his disciplinary origins and how his interest in organizations came up. In the course of the interview conceptual questions as well as substantial arguments on management, reform, and consulting are discussed from his specific point of view. Athanasios Karafillidis spoke with Nils Brunsson.

Your main field of interest has always been a disclosing view on organizational practice – be it in business enterprises, public administration or elsewhere. What is your disciplinary background?

Nils G. M. Brunsson: Well, I studied *Betriebswirtschaftslehre (Business Administration)*. We have that in Scandinavia. This German subject exists in Scandinavia, like in Italy and some other countries in the world. So that's what I studied. But I also studied economics at the Gothenburg School of Economics. It's called "school of economics" but actually it is half business school and half economics.

How did your interest in organizations arise? Were there any events or readings that made you think about organizations?

During my studies I specialized in the field of accounting. Me and some fellow students were into economic calculations and similar topics. That's how I got interested in decision making and that, actually, has been the route into organizations. So in the first place, my interest lay in decision making. My dissertation adopts this decision making perspective on organizations.

You wrote your dissertation in 1976 after your interest in organization theory came up from a preoccupation with mainstream organization theory, especially *Betriebswirtschaftslehre*. But what you have been doing since then is right the opposite of what you learned before. I don't know how far you had developed your idea of irrational organizations in your thesis but I guess you came across some empirical hints of irrationality in organizations?

Oh, yes!

But what pushed you into a different direction? What has made you deviate from the mainstream?

Oh, we deviated in several directions. There was a kind of deviance-culture when I was in Gothenburg. My professor was sort of critical on most of those very rational perspectives on organizations. But he also left us – a number of young guys – with very little guidance because he lived in Stockholm, not in Gothenburg. So we did whatever we wanted and weren't very burdened by reading all that

stuff that was popular organization studies at that time. It was a fortunate environment for this kind of thinking. People came up with new ideas and just did it. Some of my colleagues were writing in the same sort of spirit. We felt we could do something new. I think that's the story.

Was this the time where you also got acquainted with Johan Olsen?

No, that was later, at least ten years later.

So your research program developed back then – not a clear research program but a kind of hunch …

No, not a research program. I never thought that way. I had this idea and I tried to realize it. I always have difficulties to write applications for research simply because I don't know before what I will end up with.

This leads us right to the middle of one of your basic theoretical ideas because it makes obvious that doing research and presenting research is something different. There is a difference between acting and talking.

Yes, that's right. I remember one of the books by Robert Kaplan I read when I was student. He pointed out that this is very different.

The distinction between talk and action is an early focus of your research. In your book "The Irrational Organization" (1985) you distinguished ideologies and action, but in "The Organization of Hypocrisy" (1989) you switch to "talk" instead of "ideology" and distinguish it not only from action but also from decision. Action seems to be a kind of basic operation of organizations which is accompanied by talk about these basic operations. Both of them, talk and action, can have different structural properties. But how do decisions come in? Are they just another element complementing the two or are they something connecting the two? So how do you conceive of decisions within that distinction?

Decisions are intended bridges between talk and action. They belong to the world of talk because decisions are a form of talk. You can decide about anything but in case you decide about actions you try to reach the action-side of talk. I've spent some time trying to understand the relation between action and decision and it didn't come out very easy. The way you make a decision has an influence on action. In talk rationality wins. But when you start connecting decisions with actions you will get problems. When I wrote about hypocrisy I also realized that decisions exist, in fact, to dramatize the idea that talk reflects action. So you decide to make people really believe that you act in a specific way. In decision theory, the idea is that the probability of acting in a certain direction is increased by a decision in the same direction. What I tried to do with the hypocrisy thing is to show that under certain circumstances the probability of acting in a certain direction is decreased by deciding in the same direction. By describing an action in a decision you undermine the possibilities acting that way. And that's the hypocrisy. That's the hypocrisy argument.

You wouldn't agree that decisions are a form of action?

No. Well, you can always say that. You can define it any way you want. But I stick to the definition that it's part of the talk and not of the action. But of course many choose to define talk as a special kind of action …

You seem to have a specific concept of action. Most action theories would assert that every behavior somebody observes as intentional or meaningful is action. Starting from there you could say: organizations consist of actions, additionally you have decisions as a form of action, and the rest is talk. But you wouldn't say that. Therefore I'd like to know more about your use of "action". Do you have any outline to decide if something is action or not? I'm not looking for objectivity or neat consistency but maybe you can say something more about that.

This is a tough question. When I wrote about the irrationality of action it was actually about mobilizing things, mobilizing collective action among people. So it was about a relatively dramatic form of action. Not about behavior, but about action – that specific kind of action. So there is a particular context. I think this idea of action is a little bit different from my use in the context of hypocrisy because in this case action might be a little bit closer to behavior so to speak. My sort of ontological defense for asserting that you can distinguish between talk and action – my last resort – is culture. In this culture, people do that; and I study this culture. It does make a difference if you travel to Berlin or if you talk about traveling to Berlin. You can have all kinds of philosophical arguments that maybe there is no or just little difference. But for people in this culture it makes a big difference.

I see. It's an absolutely empirical definition of action.

Exactly.

So there is no concept of action. Action is nothing like "intended behavior" or the like. It's just the fact that we draw this distinction between talk and action empirically. That's it.

Yes. Otherwise almost everything is action. It's that what you are referring to, isn't it? Right now it is also quite popular to say: everything is discourse. That's exactly the same thing the other way round. If you don't make differentiations it's hard to build concepts at all.

You don't try to do social theory?

No.

Let's come back to decisions. I'd like to know *who* decides. Do you think of special persons as decision makers that assign others to fulfill what they have decided? Or more precisely: Would you think of decisions as a mental process or as a form of communication?

Normally I treat it as the latter. But maybe this difference you made is a way to distinguish between decision and choice. Most decision theory is about choice. In most cases I have a conception of decision which is in a way more action-oriented. It is something you do. I tried to catch that when I wrote about decisions as institutions. Institutions are defining what the issue is, what the decision is, and that some people have to make decisions. When you look in retrospect, people are of course convinced that they choose this and choose that all the time. *But they may have not decided*. Talking about hypocrisy would become meaningless if decisions were synonymous with choice. Of course a decision may lead to choice as well. But if decision is choice how can you be hypocritical then?

But obviously we *are* hypocritical …

Yes, exactly. So I think you need a concept that is not referring to a mental process but to something that can be observed. People have to *understand* something as a decision. You communicate a decision to an audience. That's the main argument I have with my colleagues in decision theory.

This is very compatible with Niklas Luhmann's notion of decision. He had the idea to restrict the basic operation of organizations to the *communication* of decisions. This shifts the concept of decision to the attribution of decisions. You do something and somebody comes along saying: ah, you decided that, then, there. Do you like this idea of sociological systems theory to reduce systems to the very operation they reproduce, that is, the communication of decisions in case of organizations?

Well, I both like and dislike it, because it sort of collapses so much into one idea. What I like about Luhmann is that he points out that organizations are actually decided orders in the sense that they are decided by someone. Organizations don't just emerge but you have someone who is responsible for them. That's the reason why they can be contested, the reason why there is all this uncertainty. In this vein you can define organizations in a way that they constitute an order that's not taken for granted because the gist of an organization is that you are to organize continuously. In that sense I agree with the general flavor of Luhmann's argument. But for making up more specific propositions you need a different decision concept. So I would rather like to stick with my definition of decision because it doesn't make the whole thing as encompassing as Luhmann proposes.

Let's go for a more specific action going on in organizations, namely the managing of organizations. In your article "Managing Organizational Disorder" in the volume "The Logic of Organizational Disorder" edited by Massimo Warglien und Michael Masuch you introduce management as a form of control. This reveals the complexity of management as opposed to common descriptions of management by means of specific tasks which presume linear causality. I think it's a very nice idea and I'd like to ask you the who-question one more time: Who do you think are the managers of an organization? Are they the ones who call themselves managers or are the managers dispersed in a way that the organization always has to figure out anew who exactly is managing?

I think that control in the organization is dispersed indeed. And much control exists on the so called lower-level of the organizations. When I studied budgeting for instance I was astound to see that those in control of the budget where actually those who were getting the money. It was not the expected top-down process but more of a bottom-up process. What happened was that the top managers were controlled by the lower managers. So control is dispersed and you find much less control on the top-management level than displayed in an organization chart. But as an empirical researcher I'm not striving to redefine managers and management. We *have* people called managers and I can't find any reasons not to accept that. Studying institutions doesn't preclude to use the same concepts in the description as the people involved. Of course one should explore whether such a proceeding is possible and reasonable – and sometimes you can't do it. Therefore I wouldn't say that management is dispersed but rather that control is dispersed because control is the proper theoretical concept.

Okay, but can you imagine a management concept which goes beyond organizations? You might think of us managing this interview for example. Is there a management which doesn't process in organizations but rather refers to a kind of social coping with situations?

Well, I don't call that management but I call it organizing. What I'm working on right now is very much about organizing outside organizations, for example, by studying standardization. Organizing is also taking place outside of organizations. I think parts of organization theory got stuck in studying formal organizations only. That's a mistake. We should rather study organizing processes. Hence standardization is a very good supplement. We have organizing instruments outside formal organizations. We have a lot of them. Standardization is about one of those instruments. It's about rule-setting which is one way of organizing. Formal organizations are using that in order to organize people who do not belong to the same organization.

Generally I try to make a distinction between organizing and interaction or mutual adjustment. The focus is to study organizing and organizing is about attempts and failures. To organize means that you try to create interaction, to create a situation of interaction by these instruments like rules or hierarchy. That's organizing for me. But then of course we have social processes where the patterns emerge out of interaction. That's extremely important for understanding society but that's not organizing. We could subsume these different things under one concept but I think it's useful to make a distinction between them. However, a formal organization wouldn't exist – it would not work – if people didn't do other things than organizing, that is, without performing a sort of day-to-day based interaction and without creating patterns of interaction that are not organized.

Without this distinction you'd get an organization concept that is about success. Let me explain what I mean. Many people speak about institutions in society and in my opinion to study institutions is to study successes. By looking at institutions you refer to something that is actually working. It works, therefore it is an institution. But if you only study institutions you never see the mis-takes, the failures and so on. When you study organizing you're much occupied with failure. It's not incidental that organization theory over the last 50 years has mainly been about failure although you also find plenty of normative arguments for better organizing. But most organizing attempts fail to some extent. It's the same with standardization. Most standards fail but some of them prevail and it's interesting to see in which cases they prevail and how. This is a more promising approach than starting with the results like institutions for instance. To sum up: both processes are interesting to study but they have to be studied differently.

In your book "The Organization of Hypocrisy" your interest in institutions and the societal embeddedness of organizations arose. For this reason you developed a favor for ideas of the Stanford School around John W. Meyer. Their idea can be boiled down to the assertion that there are institutions defining and restricting how organizations should look like. Rationality is maybe the strongest expectation that institutionally embedded organizations have to live up to. The intriguing thing about this approach is that although nobody ever saw a perfectly functioning organization, everybody talks about it and knows how to optimize. Do you have an idea how this expectation of rationality became prevalent?

Well, as I mentioned before, I think this has strong cultural roots. We are able to live in two realities in this culture: the world of ideas and the world of practice. We have this ability to think of something that we have never seen and never experienced. This ability spreads and becomes more and more important in modern society.

It's a Western cultural account.

Yes, I would say that. But these are conjectures because it's not my special field of research. Peter Berger and Thomas Luckmann gave the basis for all this discussion. They described institutions as consistent, as regulating what you want, say, and do in the same way. However, their argument made me realize that there is at least one case in which this consistency doesn't exist and that is formal organization. What you want and what you will say is regulated strongly by institutions. But there is a weaker institutional regulation of what people in organizations *do*. It seems that they have much more freedom and much more variation in their actions than in their talk and their wishes. One can use organization theory to show that.

You never expounded a theory of society and you don't seem to need it for your research. Anyway, right at the beginning of "The Organization of Hypocrisy" you pose a really fundamental question. You ask: What are organizations for? and give an answer in this institutional stance: It's not only the product which defines what an organization is for, but it's also the institutional environment, the

institutional dynamics, the reaction to inconsistent norms and things like that. Is that enough theory of society for an organization theorist?

If you make use of this kind of arguments I think it's enough. In my opinion, as researchers we have to specialize. I specialized in a micro direction. I write books called "Mechanisms of Hope" and this is clearly a micro-perspective. But as I'm getting older I am thinking more about macro aspects of society or the difference between interaction and organizing. So I'm widening my perspective a little bit.

That's exactly the shift that I'm perceiving in your work at the moment. In your book "A World of Standards" that you edited together with Bengt Jacobsson and in the article "Organizing the World" that you wrote with Göran Ahrne, your focus lies on how world order affects organizations and how world order is brought forth by organizations. But this is not the whole part of the story. In your paper with Ahrne you introduce two new concepts of organization. First there is the concept of meta-organizations, that is, organizations in which the members are themselves organizations. Everybody knows that they are kind of different than other organizations but nobody conceptualized it yet.

That's right, that's the problem we're working.

The second concept is much more basic and intriguing, I think. You conceive organization as a sort of societal medium. Single elements of organizations – like membership standards or authoritative patterns – exist on their own, are dispersed over the social landscape and can be combined to new organizational forms. This idea comes quite naturally because you've always been thinking of organizing as a process. But it sounds to me like an even better way to bring a societal view to bear on organizations than with the new institutionalism of the Stanford School. Could you tell me more about this?

No, unfortunately not, because it is a sort of new idea that we are just trying to work out. We are going to write a book about meta-organizations first and are planning to write a book or at least an article exactly on that subject afterwards. Actually we've already written something in Swedish about it. It's a little theory of society referring to culture and institutions – at least that – in distinction to organizing. We will work on that for the next three years and I'm not sure where it will lead to. We will test this idea whether organizational elements are dispersed and can be picked up by various parties in various ways. So far the program is just to state that organizing is much too important to restrict it to formal organizations. I think all this started by an article of my colleague Göran Ahrne who has written about the state as an organization. That's a first little step. I think the key is that we can use organization theory to understand a phenomenon like the state. My further program is to test the idea that organization theory can say much more about society than expected. Let's wait and see.

But what is then the distinction enabling you to delimit organizations from other forms of social order?

Well, you have the same problem with culture. Some claim that everything is culture. But if everything is institution or everything is culture you can't use the terms as analytical concepts anymore. So you have to make a distinction in some way and we are trying to do that in that article about culture.

The concept of order is a very vague concept but when we speak about different orders you have to think of organizing as an attempt to *create* order. And sometimes this attempt succeeds, sometimes not. Why didn't it succeed? Many scholars are not interested in that question. They study culture or institutions – the results, the important stuff. However, if you come back to me in two years maybe I can say something more about that.

Most organization theorists presuppose a notion of organization. I'd like to know if you conceive organization as a historical or as an analytical concept. Is organization a socio-empirical phenomenon or do you use it as a technical term?

I have different answers to that in different writings. In some writings I treat it as an institution which means that it is historically based, that is, it happens to exist here and now. This also involves the question: When did we start to think about collective identities instead of individual identities? Some of my writing is about that perspective. But in this new idea we just talked about, it's less clear and we have to work on this further. Of course I do contend that people organize without saying that they organize. So that's an analytical use. But in the end it's a mix. When we think of organizing we start from the empirical observation what people do in organizations – at least what they do now in organizations. We observe *modern* organizations to identify organizational elements. We don't have slavery as an element, for example. It's a mix. We start empirically,

look at what is done in modern organizations, and try to see if people do that outside of organizations as well.

Let's switch to a further research area of yours and leave these conceptual questions aside. The conference "X-Organizations" in Berlin is also about consulting and for that reason it is also about reform. So in this venue you have professional reformers abound never losing the hope that reforms do make a difference.

That's right.

Hope is their basic resource. They couldn't do the job without hope.

The consultants' main resource is exactly that they do not learn easily. If you don't learn you can stay hopeful and enthusiastic.

They talk a lot about learning …

Oh, well, but they often talk about the learning of others not their own learning.

This refers to one of the "Mechanisms of Hope" you introduced this morning in your keynote. Those mechanisms are the current peak of your research on reforms in organizations that goes back to your book "The Reforming Organization" and that you published with Johan Olsen in 1993. It contains the core ideas of your research about reforms.

Yes.

Organizations put their hopes on reforms and you identify specific mechanisms that allow them to maintain their hope. They maintain the hope that the next reform will actually work out and forget the failed reforms of yesterday. But I think that one has to make a distinction between change and reform. So let's first think about why this continued effort for change is there. Organizations change anyway during their reproduction but they also talk about change. They want to change and change is something normative and normatively attributed to organizations. Change is appreciated and understood as important and even essential. Do you think it is part of the rationalistic idea that we have to change?

Well, we have this idea of the future, of progress – the idea of change and possible improvement of societies. That's very much related to rationality. I tried to sum this up in the upcoming book and relate it to each other but I'm not an expert on that. This is the one side. On the other side I have some respect for change and reform. Some people are actually in situations where they do perceive a lot of change. That holds especially in some areas of strong competition. If you put yourself in the shoes of any competitor in an industry, you can't ignore that things are happening all the time. And then, of course, you also see that they can easily be convinced by consultants saying that in case the environment changes you also have to change. This is the very idea about the environmental shift. In other areas it doesn't have to be like that, of course. In the public sector, for example, it's different. You may also relate it to the idea that organizations are contested orders and one way of handling that is to say that you are changing all the time. At this point, *reform* comes in because then you start describing change in beautiful terms. In some of the reform models it is like describing heaven on earth. Focusing on future redemption keeps people peaceful in the present because they keep waiting for that future to come.

In the end this boils down to the contingency aspect. If you have a *decided* order then you have to talk about change for you always know you could have decided differently.

Yes. That's why I'm saying that here we face the essence of organization. You can use that idea of decisions creating uncertainty to explain change.

The term "reform" takes me back to the idea we talked about before. That is, the idea of dispersed organizational elements that can be reformed. When you use the term "reform", the word "form" in there seems to allude to the organizational form. Is this part of your intention?

Yes.

If we now look back on what we said about organizing and organizations: Do you think that consulting has a chance under these conditions?

Obviously it has a chance.

Notwithstanding prior experience with consultants and failed reforms under conditions of hypocritical communication and irrationality, organizations still go back to consultants and ask for their advice. Are consultants professional hope-keepers?

This is a very complicated question because consultancy is so many things. Consultancy is, for instance, that you don't have to hire people but you only have to bring people in for a shorter period. This is important in the Swedish jobmarket, for instance: if you hire a person he will be there forever and you can't get rid of him. So outsourcing is one aspect of consultancy. Think of the critique now prevalent in Europe that we have laws making people stay in organizations forever. If we joined a more American model of employment you might have less reason for consulting. That's the one aspect which has nothing to do with what

consultants really produce. Then you can say that consultancy may have something to do with the strength of hierarchical authority. If you have low hierarchical authority you have to bring in experts to underpin your ideas and decisions as a manager. The more a hierarchy itself is contested, the more consultants you need. Another aspect is whether you think that the demanded knowledge is general or local. The more general the knowledge you need, the more consultants you have. You can have people who don't know anything about your operations from the outset but you can bring them in because they have general knowledge. This is the expert function in a way. But in the end, so many factors play a role. The field of consultancy comprises various roles in various situations and this makes it really hard to pin it down to one point. However, consultants will always have a chance. But it's difficult to assess their chances exactly.

Can you imagine consultants recommending inertia and stubbornness? There are empirical cases where organizations are very successful due to being stubborn and immovable. It might also be good not to change, not to reform. But this idea doesn't exist at all.

Or it might be called differently. Is there a positive word for stubbornness? I remember, for instance, a piece of advice in the book "In Search of Excellence" by Tom Peters and Robert Waterman: Stick to your own knitting. That means that you should stick to the business that you are in. That's, for example, an idea of stability.

I think people talk more about change because they have to relate their talk to a more general discourse in society and that discourse is more change-oriented than stability-oriented. Rationality is an idea of change, too. It is the idea that you try to change the future in accordance with your preferences. By the way, the wish for change seems to be one reason why people often do not like to follow rukes. Rules are historical and backward oriented. Organizations have to deal with all this. And consultants are stuck in talk. There are consultants, of course, who don't talk that much. They give advice on a personal basis. I met consultants who had no descriptions of what they were doing. They go into personal interaction with managers, discuss frames, and try to help them out. Some successful ones do that. They are less stuck in the world of talk. On the other hand they are constrained to build their business on reputation only.

Well, this conference seems to be a lot about the talk consultants can use for their business. What did you think when you first saw the title for this conference "X-Organizations" on your invitation? Did you have a hunch what this could mean?

I had no idea. But then I read the attached text, there was something written about that, and I got a vague idea what might be intended.

I think you were one of the first organization theorists who ever talked about that "X" and what the idea behind that "X" is about. In my opinion it's your precise description of irrationality and your insistence on organizing processes that make up your specific contribution to this idea. That's why I'd like to conclude with your opinion about why somebody might call a conference "X-Organizations".

Well, I think a person who is organizing that conference must have good contacts with the prospective customers (laughing). Because it's hard to sell it as a concept. People told me that this is like a little community here. Then, of course, you can use that kind of language.