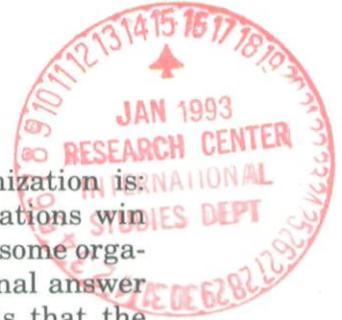


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COMMENTARY

The Necessary Hypocrisy

Nils Brunsson



The basic question for students and managers of organization is: What explains organizational survival? How do organizations win support and resources from the world outside, and why do some organizations find it easier than others to do so? The traditional answer to this question in economic and organization theory, is that the organization's ability to produce and supply goods and services gives rise to support and resources. Its products are the result of coordinated, organized action: the actions of its individual members are coordinated in such a way that they generate products together. Organizations are often defined in just these terms, i.e., as systems for coordinated action. To survive in competition with other organizations selling similar products, efficient action is vital, or at least action that is more efficient than that of the least efficient competitor's.

Researchers and practitioners in the field agree on the main ideas about the factors that help to promote efficient coordination in organizations. A number of coordinating and unifying characteristics are usually cited. One such characteristic is the hierarchy: someone decides what the others are to do. Another is unity: conflicts are avoided or suppressed. A third is consistency: everyone works toward the same goal. When people discuss what organizations ought to be like, it is these qualities that are generally emphasized. But people who study or live in large organizations soon notice that, in practice, the very opposite qualities are just as prominent if not more so: there is little contact between leaders and led, control by the leadership is

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weak, conflicts and contradictory ideas and actions abound. Observations of this kind, and analyses of what has been observed, have played an important part in organizational research over the last 20 years or so.

There are many reasons why organizations do not live up to the normative prescriptions for unity. In this article, I shall look at one of them; namely that it is unrealistic to regard the actions and products of the organizations as the only essential factors when it comes to winning external support. I will argue not only that deviations from the normative prescripts occur in successful organizations, but that they may even be a major promotor of success.

NORMS

Organizations are evaluated not only on the basis of their products; in modern societies there are also powerful norms dictating what their internal lives should be like. We could say that organizations face "demand" not only for their goods, but also for their way of producing these goods. Organizations must show the world that they are rational, efficient, democratic, and so on. Briefly, that they foster and realize general societal values, that they are part of the modern project of rationality, progress, and justice.

Powerful norms also tell us how organizations should be constructed, how they should work, and what ideas they should express. For example, there are legal regulations that determine the possible forms for business enterprises; other laws govern employee representation on company boards, and so on. Organizational structures are also subject to fashion: at certain periods centralized organization was all the rage, at others decentralization; sometimes it has been modern to have a divisional structure, sometimes a matrix organization. In order to win the respect of share buyers, banks, or the state, companies have to keep up with these fashions. A recent study of a major reform in the Swedish railways showed that talking about the adoption of a more modern organizational form can sometimes be enough to attract capital and manpower. The mere plan that the company should reorganize itself on lines closer to the popular image of the business company won 60 million kronor (about USD 100 million), and made it possible to recruit a competent management team.

Expenditure can also be an important part of the image of a company that wants to appear modern and progressive. A company that fails to invest a reasonable sum in staff training or environmental

activities may face criticism. Frequently, the media compare different organizations in terms of their expenditures. Therefore, companies which sponsor cultural or sports activities, generally do so for the popularity it brings.

Other norms prescribe the processes that organizations should, or even must, employ. For instance, in many countries, they must consult their employees before making important decisions. Since the 1960s most large companies use budgets. Studies show that investments are being preceded by an increasing number of more and more sophisticated economic calculations. The idea that such processes are important to the rational modern organization is spread by consulting firms and schools of economics all over the world.

Ideologies, i.e., the sort of views which organizations express, can also affect the support they receive from the outside. Organizations can claim to possess a number of positive qualities: perhaps they are efficient, or service-minded or of a general benefit to society. Goals are even more useful: if an organization is not able to live up to some norm, it may be very important to explain that its aim is to do so.

Structures, processes, and ideologies are important instruments for gaining external support in all organizations. For some organizations they are the only ones: for those organizations which are not able to arouse support through their products. Many organizations have no products to display to the world; in other cases, it is not clear what the products are; or, it may be difficult for an organization to show that its own products are better than those of possible competitors, or even that its products are useful at all. Schools, universities, hospitals, auditing bureaus, or organizational consulting firms all come under this heading. Particular sections of an organization, such as various company staff units, or managements, provide further examples.

HYPOCRISY

The norms regarding structures, processes, and ideologies are often motivated on the grounds that they contribute to greater efficiency. Operations should be broken down by divisions and budgeted, calculations should be made or management-by-objectives introduced, all with the view of making operations more efficient. Unfortunately, there is nothing to guarantee that this will happen. What is decent, rational or modern may not necessarily be effective. In view of the rapid changes in fashions, it hardly seems likely that the latest prescriptions will very often coincide with what is efficient. Norms

are usually general in their nature; what is efficient in a particular organization, on the other hand, often depends upon the specific situation and type of production.

When institutional norms disagree with the conditions required for efficient action, it is only to be expected that organizations to whom efficiency is important, will give themselves two sets of structures, processes, and ideologies: one for coordinating action, and one for displaying to the outside world. These two sets should not interfere with one another; rather, they must be detached and isolated.

In the structural context, the principle of isolation thus means that there will be two organizational structures; one, the formal organization, fulfills institutional norms and can easily—in principle by a stroke of the pen on the organizational chart—be adapted to new fashions or new laws. A completely different organizational structure can be used for coordinating action. This second structure is generally referred to by observers as the informal organization. The importance of keeping the formal and informal organizations apart can be seen, for instance, in the history of labor relations: ever since the last century one of the most important weapons used by the workers in conflict with management has been to “work to rule,” i.e., to follow exactly the rules of the formal organization, something that tends to cause chaos.

Similarly, two sets of organizational processes can easily develop, one which does not coordinate action but which can be displayed to the world, and one which generates action. The first type can be defined as rituals, a common feature of organizations. For instance, a company may carefully obey the rules about consulting its employees before making important decisions, but this does not mean that the decisions are affected by the consultation; investment calculations are increasingly popular, but have no effect on the investment decisions; budgets are made but not followed, or information is collected but not used.

Organizations may also maintain two ideologies, one for external use and one for internal. What management says about its organization and goals to the world outside need not agree with the signals it sends to its work force, as employees can see if they compare their everyday experience on the job with what they hear the managers saying in the media. Organizations treat themselves to double standards.

Maintaining the difference between formal and informal organization, producing rituals and double standards, are all forms of hypocrisy: the image projected to the outside world does not agree with the inner life of the organization. Hypocrisy is rarely the result of intentional planning on the part of any one person. Rather, it is

something that arises despite the fact that management, for instance, strives for control. It is difficult to control organizations, and a characteristic of a well-functioning organization is one in which the production people have sufficient responsibility to set the demands of efficiency above obedience to the rules.

CONTRADICTORY NORMS

The norms to which the organization is subject may conflict not only with the demands of efficiency but also with one another. It is often difficult or impossible to combine them, since they are contradictory or inconsistent among themselves. The reasons for this may be logical, technological, or resource-dependent. Norms dictating centralization and others proclaiming decentralization may exist side by side. Some sets of norms call for democratic management processes, and others for authoritarian. It may be technically impossible to combine the customer's product requirements with environmental demands relating to the same products. Additionally, there may not necessarily be enough money to pay all the groups making financial claims on the organization.

Conflicting demands and norms are awkward to handle and combine with action. There are organizations which are expert at squeezing support and resources out of an environment subjecting themselves to highly inconsistent norms. Examples include democratic parliaments and assemblies, and boards or committees which are composed of opposition parties. They seek systematically to satisfy different groups who are all making contradictory demands upon them.

Modern organizations of all kinds also find themselves facing contradictory demands, which they handle in much the same way as the various representative assemblies. They "reflect" inconsistent norms within their organization. They can reflect inconsistent norms by introducing conflicting structures, problem-oriented processes, or by separating talk from action, as will be described below.

The job of producing efficient organizational action is made easier by designing organizational structures based on unity. If it becomes necessary to reflect inconsistencies, then conflict rather than harmony will be the structuring principle. In the face of conflicting demands organizations often recruit people who claim not to share the norms, values, and ideas which other members of the organization represent. Local governments and the state, for example, recruit at least some of their leading members by holding elections, so that groups standing for different demands can appoint "their" represen-

tatives. "Industrial democracy" in many countries means that trade unionists are appointed to the company board, just because it is assumed that their interests diverge from those of the other board members.

Not only the organization's structure but also its processes will look different, depending on whether they are directed toward action or toward the reflection of inconsistencies. Action demands solutions rather than problems. It is difficult however, to find solutions which satisfy inconsistent norms. In the face of inconsistent demands, problems are both more likely and more attractive than solutions. Many issues become problems, just because inconsistent norms and conflicting groups are involved; problems are discussed from many angles and the discussion reflects many interests and norms. Insoluble problems are particularly attractive. If for logical or practical reasons these problems lack solutions, no one demands that they should be solved. Instead, they provide grounds for endless discussion and innumerable suggestions for all kinds of contradictory actions. Organizations such as political assemblies, which are accustomed to facing conflicting norms, often show enormous interest in insoluble and apparently eternal problems such as drug abuse or criminal behavior.

Some decision processes are suited to the task of seeking solutions, and others to the task of reflecting inconsistencies. Organizational action is helped by decision processes that are irrational and solution-oriented. If only one or two alternatives are considered, in which only the positive consequences of a pending action described, and if goals are adapted to action instead of debate, then uncertainty can be reduced and it will be easier to mobilize organizational action. Rational decisionmaking, on the other hand, provides good opportunities for reflecting inconsistencies. Almost all the norms for rational decisions are useful here. Formulating problems, defining goals clearly, considering several alternatives and describing their negative as well as their positive effects, help to bring conflicts and diverging ideologies out into the open. To an organization faced with inconsistent norms, rational decision processes are attractive. They are also easy to combine with an interest in difficult problems. They often arise as the result of a conflict structure, which is difficult to combine with forceful action.

If organizations want to act effectively, they must isolate their conflict structures and their problem-oriented rational processes from those parts of the organization and from those processes, which are to produce action, i.e., they must create the type of hypocrisy referred to above. Thus it is important to keep a distance between top

management and production. Organizations can also respond to conflicting norms by distinguishing between talk, decisions, and action.

TALK, DECISIONS, AND ACTION

I have already described how important it can be for organizations to demonstrate to the world outside their ideas about their own organization and its role. We can refer to this as "talk." Many organizations are also eager to proclaim their decisions. Talk and decisions can reflect conflicting norms more easily than actions and products. Various organization members can proclaim different values, perhaps when speaking in public. Sometimes it is even possible to adapt the message to the particular audience, giving customers and employees different versions. Conflicting decisions can be made in different parts of the company, or at different times. It is not particularly difficult to make inconsistent decisions, so long as the decisions are not implemented, something that is by no means necessary—thus bringing us to yet another way of creating inconsistencies.

Organizations can reflect conflicting norms by systematically creating inconsistencies *between* talk, decisions, and action. They can talk in accordance with one set of norms, make decisions in accordance with another, and act in accordance with a third. This is another form of hypocrisy. Organizations which have to handle inconsistencies have good reason to be hypocritical in this way. Conflict, problems, and rationality also tend to generate hypocrisy; it is difficult to make decisions on all the actions that are talked about, and it is difficult to implement all the actions that are decided on.

This kind of hypocrisy is generally recognized in political contexts. Recent Western European experiences tell us it is often easier for socialist than for conservative governments to carry out conservative policies, just as it is easier for a conservative government to implement a left-wing policy. For instance, at the end of the 1970s the first liberal-conservative government in Sweden for 50 years socialized more industry than social democratic governments had done in 50, while actions by the social democratic government in the 1980s led to an economic redistribution of wealth from wage-earners to capitalists that was the biggest ever experienced in the present century. These actions had been extremely difficult to implement by governments of the opposite composition. In the same way, it was just *because* Nixon was famous for his attacks on communism that he was able to open communications with China. If we want to extend the support we receive from groups with conflicting values, it will be

counterproductive to let talk and action point in the same directions; such single-mindedness seldom pays. Good intentions and goals are important, and they often seem to be appreciated as much or more than good deeds.

PRACTICE AND PRESENTATION

So far I have considered two types of hypocrisy: one whereby organizations use certain structures, processes, and ideologies for external use and others for use inside the organization; and a second whereby they try, or are compelled to handle contradictory demands by talking, making decisions, and acting in accordance with different norms. Hypocrisy is an important feature of present-day organizations, and one which promotes survival and growth. Hypocrisy makes it possible to comply with current norms for decent behavior and rationality, without impeding efficient action. Yet these models which emphasize hypocrisy, inconsistency, and the isolation of the external from the internal, have not been adopted as popular ways of describing organizations. Most organizations are presented by their managements, at least in official contexts, as being top-controlled, coherent, and consistent units with clear and consistent goals, whose talk and decisions are realized in the corresponding actions. A respectable management should at any rate *intend* their organization to work in this way, and should strive to see that it does so.

This is a third form of hypocrisy in organizations: to present a picture of the organization that does not agree with the way in which it actually functions or ever could function. This mechanism represents a response to a complex situation, whereby society imposes a whole range of partly contradictory demands on the way organizations are to function, while also demanding or expecting that they should be geared to efficient action, with their own identity and hierarchy directed toward their own legitimate goals. This last is an idea that accords well with the self-image so dear to us in the Western world, the idea of the human being as individual. Organizations are also depicted as individuals, but like people, they find it difficult to live up to the idea.

HYPOCRISY AND MORALITY

Hypocrisy is often associated with morals, particularly with poor morals. It is of course possible to argue that hypocrisy is a bad thing, which ought to be abolished at any price. There are however many

arguments against such a view. One argument is that hypocrisy appears to be exactly what we demand of modern organizations: if we expose organizations to conflicting demands and norms, and expect that they should respond to them, then we must also expect hypocrisy.

Moreover, like sin, hypocrisy is a condition of morality. In order to be able to generate, foster, and preach high values and ideals, we must allow some discrepancy between what we say and believe, and what we do. If we adjust our values to the way we act, we would end up with poor morals; sin and hypocrisy are the natural effects of morality. This does not mean that we should strive for sin and hypocrisy. Sin and hypocrisy characterize practice, but should not be allowed to characterize our intentions or presentations.

Put another way, what is most desirable: an automobile manufacturer whose production seriously pollutes the environment, and which defends itself by preaching that pollution is necessary, that it is not dangerous, or even that it is something which we must accept; or a company such as Volvo, whose production and products also pollute the atmosphere, but which proclaims the importance of working for a good environment and claims that its goal is to do so?

This article draws on the author's book: (1989) *The Organization of Hypocrisy*, Chichester: John Wiley. Many of its arguments are based on recent research in organization theory with an institutional perspective. The most important books include: Thomas, G. M. et al. (1987) *Institutional Structure*, Beverly Hills: Sage; and Meyer, J. W. and Scott, W. R. (1992) *Organizational Environments*, Beverly Hills: Sage.

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