

DECIDING FOR RESPONSIBILITY AND LEGITIMATION: ALTERNATIVE INTERPRETATIONS OF ORGANIZATIONAL DECISION-MAKING*

NILS BRUNSSON

Stockholm School of Economics

Abstract

Standard prescriptive theories of decision-making and the use of information for making decisions in organizations presume that decisions serve the purpose of choice. In this article it is argued that organizational decisions sometimes play one or more of three other roles: mobilizing organizational action, distributing responsibility or providing legitimacy. Different roles imply different designs of decision processes, different usages of information, different costs and different needs for making decisions at all. The degree of rationality in decision processes tends to vary according to the roles adopted. High degrees of rationality can be interpreted as attempts to prevent action, evade responsibility or support organizational legitimacy in a complex environment.

Decision-making has long been an important field for research on organizations. Perhaps as a partial result of this, decisions are also an important organizational activity: organizations often say that they make decisions and they sometimes behave roughly in accordance with what is described in decision theory: they look for alternative future actions, they predict consequences, they compare consequences with preferences and they designate one alternative as the one decided. The contents of decision theories tend to vary depending on whether they are prescriptive or descriptive — descriptive theories typically report less rationality in actual decision processes than what is recommended in prescriptive theories. However, standard decision theory, both prescriptive and descriptive, is based on a common assumption — that decision-making and decisions serve the purpose of choice. Decisions have been described as choices and organizational choice has been analysed by describing decisions. In the same tradition, accounting has been considered an important source of information for decision-mak-

ers whose sole purpose is to choose the best action among a set of alternatives.

Recent descriptive studies (Brunsson, 1982, 1985) have questioned the empirical validity of the equating of decision and choice and pointed at another role that organizational decisions sometimes play — the role of mobilizing organizational action, a role that requires less rationality than choice. But choice and mobilization are not the only roles of decision-making and decisions in organizations. In this article it will be argued that two additional roles exist — decisions may allocate responsibility and legitimacy to decision-makers and organizations. Consideration will also be given to how the different roles can explain the design of decision processes, the use of information and the number of decisions in organizations.

One way of learning about the roles of decision-making is to study organizations or organizational subunits that have specialized in this activity. For some organizations, decision-making constitutes one of their most time-consuming and most important activities, and decisions

*The author is grateful for comments by John Meyer on drafts of this article.

one of their most important outputs. Such organizations can be named decision-oriented: examples can be found among parliaments, councils, governments and boards. The discussion in this article is based on empirical studies of decision processes in such organizations: in local governments, national governments and company boards. The eight decision processes studied were all long and complicated. They concerned city budgets, investments and disinvestments, and governmental programs. At a first glance they all could be interpreted as dealing with choice — preferences, alternatives and consequences were discussed and they led to the presentation of one alternative as the one chosen. Intense studies of the processes and the decision-makers' arguments led to other interpretations, however; the details of the decision processes revealed them as dealing with mobilization, responsibility allocation and legitimation rather than or in addition to choice.

DECISIONS AS CHOICES OR MOBILIZERS

The standard assumption that the purpose and main result of decision-making is choice is composed of a series of minor assumptions. The decision-makers are assumed to search for the best action among several alternatives. Decision-making can be described as problem-solving where the problem is constituted by the existence of more than one action alternative. The basic uncertainty thus relates to the alternatives. Normative decision theory prescribes how this problem should be solved by following the rules of rational decision-making: by establishing a preference function, listing all possible alternatives, describing all relevant consequences and comparing them with the preference function. In practice, the problem may be more difficult, since the decision-makers may be uncertain or lack information not only about which alternatives there are and about the consequences or the preferences. Some aspects of these complications are handled by normative theories, but not all, and this may be one reason why actual decision-makers do not always follow the norms

of rationality. Most decision-makers lack capacity or competence for the complicated information processing that rational decision-making requires (March & Simon, 1958; Huysmans, 1970; Kahneman & Tversky, 1973; Nisbett & Ross, 1982). Alternatively, decision-makers, problems solutions and choice opportunities may interact randomly, producing a certain randomness in choices of alternatives (Cohen *et al.*, 1972).

Such explanations of deviations from the rational norms imply that even if the deviations are common, they do not undermine the norms themselves. If the purpose of the decision-making is to choose the best alternative, there is no reason for not trying to adhere to the rational norms, although it is not possible always to succeed. Deviations are not functional.

This is different from theories in which decisions are seen as ways of finding out the choice prerequisites rather than the other way round. Decisions may also forego the recognition of preferences or consequences; we may decide in order to find or develop our preferences (March, 1976) and we may decide and implement the decision to find out what consequences are attached to one alternative. Therefore, instead of waiting for uncertainty to be dissolved before the decision, the decision can be used for dissolving uncertainty. But sometimes decisions may not be connected to choice or the choice prerequisites at all.

Organizations have more problems than choice. Another fundamental organizational problem is to achieve co-ordinated, collective action. It has been argued that decision-making and decisions are sometimes used for solving that problem, and that this affects the design of the decision process (Brunsson, 1982, 1985). In order to mobilize organizational action, it is important to secure commitment from presumed actors. Commitment links the actor to the action in advance, it is a kind of promise of personal support to an action; committed actors can be supposed to contribute to the organizational action. Decision-making may be used as a way of forming commitments, both directly and indirectly. Decision processes can be instruments for the participants to express their commit-

ment to the action decided on. They can also be used to create motivations and expectations for an action, strong enough for making actors become willing to commit themselves to the action.

Decision processes oriented to commitment building deal with uncertainty as to actors rather than uncertainty as to alternatives. This has implications for the design of the decision process (Brunsson, 1982). The formation of commitment is facilitated by decision processes that systematically do not follow the norms of rational decision-making. Decision processes that deal with few or just one alternative and a biased set of positive consequences for one alternative express the decision-makers' commitment to the action alternative considered. The limitation to one or a few alternatives and to a biased set of consequences is facilitated if preferences are adapted to the alternatives rather than the other way round. The last step in the decision process, the formal designation of one alternative, is also important for expressing the commitment of the participants. So the involvement of the actors in a decision process following norms of irrationality is one instrument of expressing commitment. Decision processes following the rational norms, where the decision-makers describe several alternatives and both pros and cons with each alternative, can easily be used for avoiding commitment to any one action alternative.

Irrational decision processes can also make presumptive actors willing to commit themselves regardless of whether they are involved in the decision process or not. It has been argued that their commitment is dependent on their motivation and expectations. If the actors believe that the action is a good one and if they expect it to be carried out by the organization they are more apt to commit themselves to the action than if motivations and expectations do not exist (Brunsson, 1985). Strong motivations and expectations for a specific action are enhanced by irrational decision processes which glorify one action and clearly designate it as materializing.

Rational and irrational decision processes have different needs for information. The rational model is greedy for data. It deals with many

action alternatives and many consequences. The task is to predict the effects of different alternatives on predetermined goals. When these goals are very abstract, such as the goals of profitability or return on investment, a large number of diverse factors have to be predicted, as prescriptive models for investment calculation demonstrate. It is easy to see that fine-grained accounting data describing past performance can be highly valuable for making such predictions in a realistic way.

Irrational decision processes use fewer alternatives and thus less data. Since objectives are adapted to alternatives and data and not vice versa, there is less need for extensive information search. The data used are systematically biased towards favouring the action one is going to undertake. So not only is there less need for all the data that can be found in the accounting system, but also the presentation of unbiased accounting data may threaten the process, driving it towards more rationality. If accounting data are used at all, they should be used in a biased way and simple measures should be preferred to more complicated ones (Swieringa & Weick, 1987).

The rational process expresses a predictive attitude towards the future, while the irrational process is closer to planning than prediction, closer to the task of determining what shall happen than to the task of guessing what will happen. When results are planned, information about the past is less relevant than when the task is prediction — the very purpose of the plan may be to change the results. The degree of rationality is an important determinant of to what extent and how accounting data can be used. In the following sections consideration is given to how the degree of rationality varies not only with the roles of choice versus mobilization but also with other roles.

The interpretations of decisions as choices and mobilizers both give the decision-makers an attractive role. They are supposed to affect the decision and subsequent actions. But when these are realized, there is nothing left with the decision-maker. This is often too rosy a picture of the role of decision-makers in practice, as will

be described in the next section.

DECISION-MAKING AS RESPONSIBILITY ALLOCATION

Uncertainty may not only be connected to alternatives and actors, it may also concern decision-makers. Decision processes are sometimes used for handling that uncertainty, for clearly pointing out who are the decision-makers. This is the case when the decision processes are used for allocating responsibility.

Responsibility is a concept with several connotations, all describing a perceived relation between human beings and actions (Edwards, 1969; Spiro, 1969). One connotation has to do with the attribution of causes. If a person is perceived as being the cause of an event, he or she is considered responsible for it. This definition of responsibility is fundamental in law where it is closely connected to the concept of culpa and guilt and used as a basis for discussions of punishment (Ross, 1975; French, 1984). The causal definition of responsibility is also important in moral philosophy and can be argued to be the basis of other connotations, such as the that of duty or obligation (Helkama, 1981). In both western law and western moral philosophy since Aristotle responsibility has been considered to be dependent on the existence of voluntariness — only a person who actually wants to pursue an action is causing it; if the actor is forced by other people or things or the actions are just by chance, he or she is not causing them and therefore is not considered to be responsible. The question of voluntariness was already viewed by Aristotle in terms of choice. Actions at least look like voluntary ones if “at the time they are performed they are the result of a deliberate choice between alternatives” (Aristotle, Book 3, Chap. 1). Later it has been argued that the existence of free will and self-identity through time are additional requirements for responsibility, but the basic connection of voluntariness and choice to responsibility have been commonplace in philosophic discussions into our time (Edwards, 1969).

Psychological experiments under the label of attribution theory demonstrate no dramatic differences between the basic rules of moral philosophers and the rules laypersons use for designating persons as causing actions (Kelley, 1972). Researchers have identified causes with responsibility to the extent that most empirical studies have not differentiated between the attribution of causes and the attribution of responsibility. However, the results still indicate that laypersons have the same basic tendency as philosophers and legal experts to relate causes and responsibility (Fincham & Jaspers, 1980). It seems safe to assume that causal attribution is an important condition for responsibility allocation in practice although it may not always be sufficient.

In classical administrative theory the connection between power or authority and responsibility was considered to be a strong one: “wheresoever authority is exercised responsibility arises” (Fayol, 1949). Authority at high hierarchical levels is a means for individuals at lower levels to reduce their responsibility for their actions (Barnard, 1938, p. 170), and the authority of higher levels is accepted just because it gives rise to responsibility (Simon, 1965, ch. 7).

To sum up, responsibility is given to individuals who are observed (by themselves or others) to have affected events (or just their own actions) by having freely chosen and carried out one of several possible actions or inactions. People hold others responsible if they believe that they have made decisions influencing events and if they think of these decisions as choices. But such beliefs are not necessarily shared — the influence on events as perceived by the decision-makers may not be equivalent to the influence as perceived by the observers; experimental research on attribution has demonstrated that there may even be some systematic perceptual differences between these groups (Jones & Nisbett, 1971). Also, actors can actively influence others' perceptions of their responsibility by dramatizing their choices to a different extent. By making decisions which look like choices and displaying them for obser-

vers, individuals or groups are able to acquire responsibility; by avoiding such decisions they can avoid responsibility.

This points to an important role for standard decision theory: by describing decision-making as procedures for choice, standard decision theory puts responsibility on the decision-makers. Since they have made a choice they must have had several alternative actions to choose from. By choosing one, they have established themselves as at least one important cause of that action. Therefore, whenever the standard theoretical conception of decision-making as choice is used for understanding actual decision-making, it tends to allocate responsibility to the decision-makers. When the ideas and ideals of standard decision theory are spread, it makes decisions produce responsibility.

There is, therefore, a paradoxical relation between the choice and the responsibility interpretations of decision-making: decision-making can work as a responsibility allocator only if observers perceive it as dealing with choice. The responsibility paradox may be one important reason why the choice interpretation of decision-making is popular — it is useful for producing both choice and responsibility.

The role of responsibility allocation has implications for the design of the decision process. If the decision process is to designate who is causing an action, it must clearly point out some persons. This means that the decision process as well as the decision-makers must be highly visible. The visibility of the final decision where the action to be realized is pointed out, is particularly important. Organizations often use specific procedures for making these final decisions which stress visibility, such as formal meetings with minutes telling what decisions were made by whom. Voting can be used not only as a way of finding out which alternative is preferred by most decision-makers but also for demonstrating exactly who is making the decision. Entering of reservations can serve the same purpose. The prominence of formal decisions is in sharp contrast to what can be expected from decision-making which serves the purpose of choice only; such decisions can be very difficult to observe —

the discussions of alternatives sometimes transform into actions without any decision meeting or statement (Danielsson & Malmberg, 1979).

If the decision process is to work as a responsibility allocator, it must also clearly establish the decision-makers as causes. It needs to produce the perception that the decision-makers have made a choice between two or more alternatives, and that they made the choice themselves and are personally and strongly connected to the alternative realized. The decision process must give the impression that a choice has been made but the procedure may well look irrational: the decision-makers' personal connection to the action to be realized is increased the more they stress their preference for it. This can be done by focusing on positive consequences only and by inventing general goals and values that fit the action.

Responsibility can also be established by arguments. Decision-makers can claim not only that they were among those who made a decision but also that they had influence on what was decided, that they actually made a choice. Their responsibility can also be reinforced by arguments — such arguments stress that it is the decision-makers' own values, beliefs and perceptions that determine the decision and that determining values, beliefs and perceptions are not objective, automatic or controlled by others.

All these methods can be used in reverse if decision-makers do not want responsibility. They can use rational decision procedures. Rational decision procedures easily produce uncertainty at the same time, as they can be used for demonstrating that uncertainty in public; in this way the decision-makers can demonstrate that they are not strongly attached to the alternative decided upon and that the choice of one alternative is the result of logical — and therefore objective and impersonal — reasoning out from general goals and values. If these goals and values can be argued to be shared by many people the decision-makers' attachment is further reduced. At the extreme, decision-makers may reduce their responsibility by substituting formal calculative models and computer programs for their own reasoning, thus demonstrating that

they did not choose but the model or computer did (Brunsson & Malmer, 1978).

Decision-makers may also evade responsibility by making the decision or their roles as decision-makers less visible, for instance by avoiding a formal decision ritual. They may evade responsibility by claiming that they were not participating in the decision; they may point out that they formed a minority, voted against the decision or entered reservations. Decision-makers can also try to show that they had no choice, that there was just one possible alternative. Even without using impersonal rationalistic models they can argue that they did not influence the decision, that they were compelled by external forces. Studies of city budgeting in economic stagnation (Brunsson & Rombach, 1982) give rich examples of this technique.

City budgeting is a highly visible decision process and a budget decision equally highly visible. Leading politicians are clearly pointed out as the decision-makers. In periods of strong growth, the resulting responsibility may be a relatively light burden but when cut-backs have to be made it might be both wise and attractive to try to avoid responsibility, both for "guardians" and "spenders" in Wildavsky's (1975) terms. In the cities studied, the leading politicians who played the role of the guardians of the treasury thought that cut-backs of money for different services were necessary for over-all economic reasons, but they did not want to be responsible for such cut-backs. One strategy was to avoid making individual cut-back decisions. They tried to delegate cut-back decisions to lower levels, to the spenders, those who asked and argued for money for their departments. For instance, the guardians asked every department to reduce its expenses by a certain percentage per year without giving any advice on exactly how this should be done. The guardians argued that the reductions should be made by minor changes in service levels and by increasing efficiency. Such minor things were normally decided by managers at lower levels. By making the reduction percentage equal for everybody, the guardians even avoided making an active choice of how much each department had to cut down. The counter strategy from the

spenders was to argue that minor reforms were impossible or unreasonable, and instead they proposed cut-backs that meant the closing down of whole offices or programs. Important decisions such as discontinuing services were normally made by the top, i.e. the guardians. The spenders hoped (as it appeared, correctly) that the guardians would not make discontinuing decisions, since such decisions would give the guardians too much responsibility for strongly negative and highly visible actions.

Thus, what decisions were proposed and made was influenced not only by the decision-makers' preferences but also by the responsibility allocation effects of different decisions. In addition, responsibility was allocated by arguments describing decisions as choices or not. The guardians described their situation as one of no choice — they were forced by economic facts or the national government to cut down, they did not want it themselves. By just transferring the figure of necessary expense reductions to all departments equally, they argued that they made no choice as to the distribution of cut-backs over departments. The spenders argued that even if there were externally determined necessities, the guardians had made a choice when they decided to cut down on a specific department — they could have chosen other distributions than the equal one. The spenders' arguments had the purpose of demonstrating that the guardians were making or intending to make decisions, involving choices, on highly negative actions and they tried to make these decisions highly visible.

The amount of responsibility residing with one decision-maker can also be affected by the total number of decision-makers — it may be diluted to different extents. The greater the number of decision-makers who have responsibility for an action, the less is the share of each decision-maker. If there is only one decision-maker, he or she carries all the responsibility but if everyone is responsible, no one is: in public referenda, to take an extreme, the vote of one individual normally does not change the majority, so there is no individual who is responsible, only more abstract entities such as the majority or the

electorate. Responsibility can also be diluted over time; by splitting up one major decision into a series of minor ones, the amount of responsibility for each decision is reduced.

One of Sweden's largest industrial investments in the last decade was decided upon by a process involving strong responsibility dilution over both organization and time (Brunsson, 1983). Due to its heavy financial needs it had to pass through one company board, one corporate board, the national government and the parliament. In addition, the decision was divided into a series of subsections, each one concerning further investigations or investments involving relatively minor costs or expressed in conditional form (such as "we accept if others do"). Each decision-making unit then made several decisions at different points in time. The responsibility for each such small decision was easier to accept than the responsibility for the decision to make the whole investment. There was no single decision to make the investment.

Thus the investment could be made, although almost all the decision-makers were very sceptical or even negative about it. The investment turned out to be an economic disaster but afterwards neither those involved nor external observers were able to point to anyone having any considerable responsibility for it.

IMPLICATIONS FOR DECISION-MAKERS

In the choice and action perspectives the decision-makers are given the attractive role of affecting future actions without being affected themselves. The vast propagation of the theory of choice can be assumed to have increased the popularity of decision-making positions and processes. However, when consideration is given to the fact that decisions tend to affect the decision-makers by making them responsible, the decision-maker's role appears a less attractive one. When the success of the action to be decided on is uncertain, responsibility may be perceived as a negative quality of decisions. Whenever decision-makers consider the balance of influence on actions and responsibility for them to be un-

fair, they have incentives to try to change the balance or to leave their roles. The responsibility aspect sometimes explains why individuals or groups refrain from participating in decision-making. But decision-oriented organizations can seldom avoid decisions — they are expected to make some — and so they easily become responsible.

For the governments and boards studied, the responsibility aspect seemed to be more important than the choice aspect. This was evident in the city budgeting case where responsibility was avoided by affecting the content of the budget. Many indicators suggest that responsibility rather than choice was the normal result of the decisions made by the organizations studied. Most of their decisions were made highly visible by a series of techniques: the decision-makers made clear that they made decisions and what these were, minutes where the decisions were listed were prepared and in the governments' case information about decisions was actively spread among the public by these protocols, by opening meetings to the public or by other channels. By voting or reservations it was made clear who made the decisions. The decisions were preceded by processes through which they appeared as choices — discussions of problems, preferences, alternatives and consequences. External observers such as the press or people affected by the decisions described the decision-makers as influential — the decision-makers were supposed to have influenced the content of the decision, at least as long as they belonged to the majority. But the organizations concentrated on making the final decision; other parts of the decision process was delegated to others. Experts, administrators or special committees investigated preferences, alternatives and consequences and the same or other groups were to implement the decisions. The important choices were normally made before the issue reached the decision-makers or the alternatives were formulated in a way that made the choice obvious — for instance one and only one alternative fitted the majority. Other studies of similar organizations demonstrate that choices can be made after the decision, for instance when decisions

are formulated so vaguely as to permit a wide array of subsequent actions (Baier *et al.*, 1986).

These observations are not unique. There is ample research showing that boards and councils making formal decisions often have little influence on the decisions' content — this has been determined during the preparation of the decisions by experts (Brunsson & Jönsson, 1979). In spite of this fact, members of boards and councils seldom officially complain that they lack influence. In the organizations studied no decision-maker tried to alter the public picture of them as influential, even though some of them complained about their lack of influence in private discussions with the author.

Even if the decisions are not influencing the choice of alternatives to any important extent, they are publicly presented as both aiming at and resulting in choices. Any glance at management or political science textbooks reveals that decision-oriented organizations are expected to make choices and exert influence. This discrepancy between presentation and actual behaviour can be explained by the responsibility paradox: if you claim influence, you will get responsibility. Decision-makers and decision-making units who are anxious to fill their role as responsibility acceptors must argue that they had influence on the choice. Those who argue that they had no influence actually communicate that they did not cause the action decided and thus have no responsibility for it. Whatever their actual influence, decision-makers must be considered influential if they are to be responsible. Participation in decision-making processes is supposed to give influence. Giving organizations the power to make decisions is to give them the ability to absorb responsibility. The choice perspective is used as an argument for employees' participation in decision-making processes oriented towards the achievement of industrial democracy or for politicians' decision-making in political democracies; the purpose of the politicians' role as decision-makers or the unions' participation in management decisions is often described as being to give these groups influence on what actions are chosen. The responsibility aspect of decision-making makes it equally possi-

ble to interpret these appointments as attempts to place responsibility on the group in question, for instance giving unions responsibility for necessary restructurings of industries and thereby smoothing their completion.

By making some organizations, groups or individuals absorb responsibility, the responsibility of others can be reduced or deleted, and the decision-makers become potential scapegoats or heroes. Decisions can thus serve as instruments for control; they make clear to whom should be given rewards or punishments and this can be used for influencing people's decisions. When their decisions affect actions, for instance by choosing them, action can be controlled in this way. The notion of a fair balance between responsibility and influence is important also for controllers; if decision-makers are not influential, the control of decision-makers is futile and if influential people are not decision-makers and thereby responsible, they may be difficult to control.

IMPLICATIONS FOR ACTION

Responsibility provides a link between actions and decision-makers. It not only affects the decision-maker but also the actions. Actions may be affected by being given legitimacy: by making decisions and accepting responsibility decision-makers with a high degree of personal or role legitimacy provide actions with legitimacy. For example, politicians decide on many actions of administrating subunits, thereby making them socially legitimate. Such legitimation is important if highly controversial actions are to be completed. By making the decision and sticking to it in spite of criticism and protests from the environment, the politicians protect the administration and its action from the turbulence of the environment, for instance from changes in social values and factual conditions. This is particularly important for actions that are long-term and difficult to change once started. Local politicians have argued that having a tough skin is one of their most important qualities (Brunsson & Jönsson, 1979).

Decisions may also provide events with meaning. By allocating responsibility, decisions meet the need of human beings to explain why things happen, a need which is fundamental for mankind (Geertz, 1973). In western secularized culture it is important to establish people rather than nature, chance or God as causes of events. This is exactly what decisions do. This can explain why decisions are sometimes made about events that the decision-makers cannot possibly influence, for instance when governments make decisions about unsolvable problems such as drug abuse or business cycles. In traditional African societies witchcraft and "witch-detectives" are used for exaggerating the responsibility of persons for unfortunate events (Gluckman, 1972). In western societies politics and politicians may play a similar role.

The responsibility results of decisions can be used for linking the organization to parts of its environment. Organizations may decide about events and actions in their environment, thereby accepting responsibility for them. Western national governments have been observed to deal with more and more societal issues. Their main way of dealing with the issues is to make decisions — about payments of money, about resources to public administration units or about laws. By these decisions they may not only become responsible for the actions of the public sector but also for the results of these actions and thereby for what happens in the environment. If organizations decide about areas which are generally perceived favourably — or that become favourable due to the organizations' actions — they may gain legitimacy; governments spending money in prospering industries demonstrate that they are responsible for success. If organizations decide about areas which are perceived as negative in spite of the actions they decide on, they may transfer some of their legitimacy to the area. A national government studied decided to launch a very expensive program with the official motive of solving severe unemployment problems in a region. However, the decision-makers privately did not believe that the problem would be solved and they did not find this important. Instead they considered

themselves to have accepted responsibility for the situation and thereby influenced the attitudes of people in the region who were now thought of as perceiving their (unchanged) situation less pressing.

Decisions may also serve as more direct instruments for affecting organizational legitimacy. This is the topic of the next section.

DECISIONS AS LEGITIMATION

A common denomination of all three aspects of decisions discussed earlier is that, in different ways, they connect decisions and actions. Actions are chosen, mobilized or given responsibility for by decision-making and decisions. But sometimes decision-making may not be connected to actions at all. There is ample evidence that decisions often are not followed by actions or that subsequent actions are not in sympathy with previous decisions. Such differences between decisions and actions are often described as problems of implementation; decision-makers have not been able to force other people to behave as decided and this causes problems for the decision-makers and the organization (Pressman & Wildavsky, 1973; Mayntz, 1976). A disconnection between a decision and action need not be interpreted as a problem, however; it can also be interpreted as a solution, as will be discussed below.

Organizational actions constitute one output of organizations which can provide legitimacy and support for the organization in its environment as long as the actions reflect the values and norms prevalent in that environment (Parsons, 1956). But decisions can also be considered organizational outputs; many organizations are anxious to publicly declare some of their decisions. If these decisions reflect external norms, they can serve as independent instruments for external legitimation. Many decision-oriented organizations such as parliaments, councils and governments even specialize in producing decisions and refrain from producing organizational actions at all.

If environmental norms are inconsistent with

each other, organizations can act according to some norms and decide according to others, thereby reflecting a large part of external norms. This behaviour produces inconsistencies between decisions and actions but these inconsistencies are solutions rather than problems; solutions to the problem of maintaining and gaining external legitimacy and support when external norms are inconsistent. Such decisions deal with uncertainty related to organizational legitimacy rather than uncertainty related to alternatives, actions or decision-makers. The literature on implementation problems reports many inconsistencies between the decisions made by parliaments, councils and governments on different levels and actions taken by public administration units. This is no coincidence. Such organizations typically have to deal with many inconsistent norms (Edelman, 1971) and they may accomplish this by letting some units specialize in decision-making and others in action. Decisions can then reflect some norms and actions others. Decisions can compensate for action. Rombach (1986) found that cities facing stagnation decided to rationalize their activities in order to decrease expenditures, but he found no such rationalizations carried out. Instead expenditures were increased and expansion continued.

When used as legitimating devices, formal decisions must be clearly visible to the environment. When organizations use decisions in this way, they can be expected to be anxious to publish their decisions. But organizations do not only produce actions and decisions. A third organizational output is talk — the spoken and written word with which the organization presents itself to its environment (Brunsson, 1986). Talk can be inconsistent, with both decisions and actions, and compensate for them in situations of inconsistent norms. For instance, the most extensive socialization of Swedish industry was made during a short period of liberal governments propagating ideas of free markets and less state intervention after 44 years of socialist governments. Also, socialist governments have been observed to carry out relatively easily conservative policies such as fighting inflation by reducing wage increases.

Decisions can also be a rationale for producing talk; they can be described and explained. In situations where inconsistent norms prevail, different descriptions of the same decision may be inconsistent and explanations of the decisions to the public may be inconsistent with their contents as described in protocols. In these situations it is very clear that a decision has been made, but it is unclear exactly what the decision is; the decision is both evident and equivocal.

Talk can also be produced by the process preceding the decision. This provides a reason for organizations to make not only their decisions but also their decision processes public. The purpose of reflecting norms may influence the design of the decision process. Different norms are consistent with different preferences, alternatives and consequences. Rational decision processes where many preferences, alternatives and consequences are considered are therefore better instruments for reflecting inconsistent norms than more irrational ones. Again, budgeting in public sector organizations is an example in point. There the decision process is typically open to the public and the struggle between spenders and guardians displays a great many conflicting preferences, alternatives and consequences.

THE FOUR ROLES OF DECISION

In this article, four interpretations of organizational decision-making and decisions have been put forward (Fig. 1). It has been argued that the role of decision-making can be not only choice and the mobilization of organizational action but also responsibility allocation and organizational legitimation. Decision-making can reduce uncertainty related to alternatives, actors, decision-makers or legitimacy. Decision-makers may adapt the design of decision-making processes to these different roles and to what the decision-makers want to achieve within the role. Different designs as to the degrees of visibility and rationality have different implications for the four roles, and different degrees of rationality provide more or less need for accounting information. For instance, if accounting information is

TABLE 1. Four roles of decisions

Role	Choice	Mobilization	Responsibility allocation	Legitimation
Handle uncertainty as to	Alternatives	Commitments	Decision-makers	Organizational legitimacy
Connection to actions	Connected	Connected	Connected	Disconnected
Design	Rationality	Irrationality	Irrationality for responsibility acceptance	Rationality in environments of inconsistent norms

used more for defensive than for offensive decisions (Häckner, 1985), the reason may be that defensive decisions serve purposes that need more rationality. When decisions are highly formal and visible there are reasons for interpreting them as dealing with more or other aspects than choice. The extent to which decision processes follow the rational norms of standard decision theory should be expected to vary according to their role and the purpose of the decision-makers. A high degree of rationality can be interpreted as an attempt to solve the problem of choice, to prevent or stop organizational action, to evade responsibility or to legitimate the organization in an environment where inconsistent norms are important. Rationality provides a distance between decision and action: rational decision-making deals with choice rather than mobilization, it decouples decision-makers from actions and it legitimates in situations where inconsistencies between the decision and actions are favourable.

A high degree of irrationality is not necessarily a result of decision-makers failing to make a rational choice — it can also be interpreted as an attempt to create strong commitment, to accept more responsibility or to legitimate the organization in relation to a group of consistent norms. Irrationality produces a strong connection between decisions and actions — it mobilizes and it ties decision-makers to action, and is useful for legitimation in situations when consistent norms apply, making consistency between decisions and actions important.

In practice, decision processes may play more than one of the roles described here, sometimes all four. Different or the same decision-makers

may want to use decision processes for different purposes or, whatever their own preferences, decision-makers may be aware of observers interpreting the processes in several ways. Budgeting or other decision processes may even involve a battle between groups trying to establish it as playing one role or another. Such decision processes may become very complicated and seem extremely fuzzy both for participants and external observers and they are not possible to understand if analysed from the perspective of one role only.

The four roles of decisions affect not only the design but also the number of decisions. They do not only indicate four different benefits of decisions but also point out four different possible costs. Potential decision-makers may avoid decision-making since they expect it to lead to the choice of an alternative that they do not wish, to too weak a mobilization or a demobilization, to responsibility being placed on the wrong persons or to a loss of organizational legitimacy; and since they realize that there exist other means for making choices, for mobilizing, for responsibility allocation and for legitimating. Therefore, there is not always a need for making decisions, nor is there always a capacity for making them. The number of decisions can be affected by such things as the prevalence of rules, talk and products.

Choices can be made by reference to existing rules rather than by decisions where future consequences are considered. A large number of organizational actions are chosen by rules at different levels of abstraction, from assembly lines by which individual hand movements are prescribed to organizational ideologies which con-

stitute shared ways of perceiving and interpreting even new situations and events occurring within the organization or its environment. Organizations that maintain many and strong rules have less need for decision-making as a way of choosing. Organizations that breed strong ideologies are able to make choices without decisions even in situations which are new for the organization (Brunsson, 1985). Rules are also means for mobilizing organizational actions — they can provide as much motivation and expectation as decisions can and commitment can be formed by other processes than by decision processes. This is true also for hierarchy: organizations where direct orders from the top are highly legitimate do not need decision-processes as a means for mobilizing action.

Rules can also affect the number of decisions by reducing the capacity for benefiting from decisions. If there are many and strong rules, it is difficult to use decisions for choice, for accepting responsibility or for gaining legitimacy; the rules will control the choice and the rules rather than decision-makers will be connected to actions.

Similarly, the need for using decisions as legitimating devices is dependent on the organization's ability or possibility for using other legitimating instruments. Organizations that have problems in creating or maintaining legitimacy by their products or by talk become more dependent on decisions as legitimating devices. For instance, most decision-oriented organizations do not produce any products and it may be difficult to make people listen to their talk if they do not produce decisions (Rombach, 1986). Also, responsibility, whether desired or not, may be obtained without decisions — some organizations have societal positions which give them responsibility without their having made active decisions, as the debate on corporate responsibility tells us (Epstein & Votaw, 1978). A capacity for decision may produce a need for them. Organizations that are perceived as being able to make decisions in specific areas can become responsible for events even without making decisions about them. By making decisions instead they have greater chances to influence exactly

what they are to be responsible for. Governments given responsibility for the economic situation in the country may be better off by making some positively perceived decisions about it (Brunsson, 1986).

The variety of roles that decision-making can play has implications for both descriptive and normative research. They can be used not only for better understanding decision processes but also for gaining a better insight into the roles and behaviour of decision-oriented organizations. Boards, parliaments and governments are often supposed to be highly important for other people or organizations or for society at large. If this assumption is true, a better understanding of their decision-making becomes fundamental for understanding these larger systems.

The choice interpretation of decision-making has led to recommendations of rationality, while the other interpretations of decision-making suggest that irrationality sometimes should be recommended. Organizations must often be advised not to use rational decision models or calculation techniques, like those produced by operations research, or not to use accounting information too extensively or in an unbiased way. They can also be advised to continue emphasizing budgeting procedures, even if these have not produced the right choices, if responsibility and legitimacy are more important. The choice interpretation has also implied recommendations to those who want to influence actions that they should create decision-making processes preceding action and that they should secure their own participation in these processes. The other interpretations lead to warnings that decision-making procedures may not be useful for gaining influence or may cost too much responsibility to be worthwhile. People who want influence cannot always be advised to establish themselves as decision-makers, in particular if they are not ready to pay the costs of responsibility. Both descriptive and normative research should investigate decision designs that promote not only choice but also the other roles of decision processes and, of course, explore ways other than decisions for producing organizational choice, mobilization, responsibility and legitimacy.

BIBLIOGRAPHY

- Aristotle, *The Nicomachean Ethics* (Oxford: Oxford University Press, 1984).
- Baier, E., March, J. & Saetren, H., Implementation and Ambiguity, *Scandinavian Journal of Management Studies* (1986) pp. 197–212.
- Barnard, C., *The Functions of the Executive* (Cambridge, MA: Harvard University Press, 1938).
- Brunsson, N., The Irrationality of Action and Action Rationality: Decisions, Ideologies and Organizational Actions, *Journal of Management Studies* (1982) pp. 29–44.
- Brunsson, N., *Projekttinstitutionalisering — ett fall* (Stockholm: EFI, 1983).
- Brunsson, N., *The Irrational Organization* (Chichester: John Wiley, 1985).
- Brunsson, N., Organizing for Inconsistencies. On Organizational Conflict, Depressions and Hypocrisy as Substitutes for Action, *Scandinavian Journal of Management Studies* (1986) pp. 165–185.
- Brunsson, N. & Jönsson, S., *Beslut och Handling* (Stockholm: Liber, 1979).
- Brunsson, N. & Malmer, S., *Värdering av produktutvecklingsprojekt* (Göteborg: Göteborgs Universitet, 1978).
- Brunsson, N. & Rombach, B., *Går det att spara* (Lund: Doxa, 1982).
- Cohen, M., March, J. & Olsen, J., A Garbage Can Model of Rational Choice, *Administration Science Quarterly* (1972) pp. 1–25.
- Danielsson, A. & Malmberg, A., *Beslut Fattas* (Stockholm: SAF, 1979).
- Edelman, M., *Politics as Symbolic Action* (New York: Academic Press, 1971).
- Edwards, R., *Freedom, Responsibility and Obligation* (The Hague: Martinus Nijhoff, 1969).
- Epstein, E. & Votaw, D., *Rationality, Legitimacy and Responsibility* (Santa Monica: Goodyear, 1978).
- Fayol, H., *General and Industrial Management*, 2nd Edn (London: Pitman, 1949).
- Fincham, F. & Jaspars, J., Attribution of Responsibility: From Man the Scientist to Man as Lawyer, in Berkowitz, L. (ed.), *Advances in Experimental and Social Psychology* (New York: Academic Press, 1980).
- French, P., *Collective and Corporate Responsibility* (New York: Columbia University Press, 1984).
- Geertz, C., *The Interpretation of Cultures* (New York: Basic Books, 1973).
- Gluckman, M., Moral Crises: Magical and Secular Solutions, in Gluckman, M. *The Allocation of Responsibility* (Manchester: Manchester University Press, 1972).
- Helkama, K., *Toward a Cognitive-Developmental Theory of Attribution of Responsibility* (Helsinki: Suomalainen Tiedekatemia, 1981).
- Huysmans, J. H., The effectiveness of the cognitive style constraint in implementing operations research proposals, *Management Science* (1970) pp. 99–103.
- Häckner, E., *Strategiutveckling i medelstora företag* (Göteborg: BAS, 1985).
- Jones, E. & Nisbett, R., The Actor and the Observer: Divergent Perceptions of the Causes of Behaviour, in Jones, E., Kanouse, D., Kelley, H., et al., *Attribution* (Morristown: General Learning Press, 1972).
- Kahneman, D. & Tversky, A., On the Psychology of Prediction, *Psychological Review* (1973) pp. 237–251.
- Kelley, H., Attribution in Social Interaction, in Jones, E., Kanouse, D., Kelley, H., et al., *Attribution* (Morristown: General Learning Press, 1972).
- March, J., The Technology of Foolishness, in March, J. and Olsen, J., *Ambiguity and Choice in Organizations* (Bergen: Universitetsforlaget, 1976).
- March, J. & Simon, H., *Organizations* (New York: John Wiley, 1958).
- Mayntz, R., Environmental Policy Conflicts: the Case of the German Federal Republic, *Policy Analysis* (1976) pp. 557–587.
- Nisbett, R. & Ross, L., *Human Inference* (Englewood Cliffs, NJ: Prentice-Hall, 1980).
- Parsons, T., Suggestions for a Sociological Approach to the Theory of Organization, *Administrative Science Quarterly* (1956) pp. 63–85.
- Pressman, J. & Wildavsky, A., *Implementation* (Berkeley: University of California Press, 1973).
- Rombach, B., *Rationalisering eller prat?* (Lund: Doxa, 1986).
- Ross, A., *On Guilt, Responsibility and Punishment* (London: Stevens, 1975).
- Simon, H., *Administrative Behavior*, 2nd Edn (New York: The Free Press, 1965).
- Spiro, H., *Responsibility in Government: Theory and Practice* (New York: Van Nostrand Reinhold, 1969).
- Swieringa, R. & Weick, K., Management Accounting and Action, *Accounting, Organizations and Society* (1987) pp. 293–308.
- Wildavsky, A., *Budgeting* (Boston: Little, Brown, 1975).