I Organization Unbound

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How can an airplane land on another continent? How can we know that exotic fruits at the grocery shop have been produced in a relatively fair way? How is it that we can learn about some universities being better than others – even universities on the other side of the globe? How are we able to know which scientists are among the most outstanding in the world? In order to answer such questions, one must realize that all these phenomena rely on organization.

Contemporary everyday life is rife with organization. Working life contains much organization, but consumers also encounter various forms of organization in shops and restaurants. Leisure activities such as sports or tourism involve a substantial degree of organization, as does the Internet. One can even speak of 'hyper organization' as a characteristic of the contemporary world: 'Faced with any problematic situations, the modern impulse is to create more organizational structures' (Bromley & Meyer, 2015: 4).

Much organization takes place within formal organizations; they constitute an extremely common element of contemporary social life. There are states, firms, and associations everywhere, taking care of almost every aspect of society. The abundance of organizations has motivated ever-expanding research and academic education about these entities. A special academic field of organization studies has been formed, involving many thousands of scholars studying formal organizations in all their complexity, including research on how they organize their activities.

One effect of this development is the fact that the study of formal organizations has overshadowed other forms of organization. Organization seems to happen only in formal organizations. And although scholars specializing in the study of organizations have

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been interested in wider aspects of society, their conceptualizations have reinforced the image of organization as tied only to formal organizations. What happens outside the context of formal organizations has been dubbed 'organizational environments', and organizational environments have seldom been seen as organized. Rather, they have been described as resources, as markets, as institutions, or as networks within which a focal organization is a part.

In this book, we take another stance. We believe that there is more organization than is contained in formal organizations. Or, more precisely, we believe that it is easier to understand many aspects of contemporary society by seeing them as organized. And organization happens not only inside, but also outside the context of formal organizations. Organizations are more similar to their environments than most organizational scholars have acknowledged.

Yet, our concept of organization is conservative, in the sense that it is closely connected to the ways in which early students of organization distinguished formal organizations from other social phenomena, and it connects to common, contemporary perceptions of the specificities of formal organizations. We define organization as a decided order – an order created by people having made decisions about others. We see some decisions as more fundamental than others when it comes to organization and have dubbed these decisions 'organizational elements'. These are decisions about who can participate, about rules for how people shall behave, about ways to monitor others' behaviour, about how to issue positive or negative sanctions, and decisions about who can make decisions for others and in what way. But organizers do not necessarily use all organizational elements, and all settings are not organized by all elements. There is much *partial organization* within – but above all outside – formal organizations (Ahrne & Brunsson, 2011).

Individuals or organizations can use organizational elements to organize other individuals or organizations, even if they do not belong to the same organization. In this book we give examples of how organizations consider part of their environment as members;

how they set rules in the form of standards for how other organizations shall behave and for what they shall produce; and how other organizations distribute sanctions in the form of awards. Yet others monitor other organizations by rating or ranking them. We also demonstrate how we can find elements of organization where it is usually not expected – in markets, families, or social movements, for instance.

Organization is one base of social order: It can create predictability and facilitate interaction among individuals or organizations. But it is essential to distinguish organization from other forms that contribute to social order – forms such as institutions or networks that are much discussed in social science. Those forms are not decided by anyone, but have emerged out of processes of mutual adaptation among individuals or organizations. Their effects differ from organization, and they change in different ways. Organization is more transparent and is more likely to be challenged than emerging forms are. It is also crucial to distinguish among various forms in order to make it possible to analyse transitions from one form to another – how organization sometimes becomes institutionalized and how networks become organized, for instance (Ahrne & Brunsson, 2011; Ahrne, Brunsson, & Seidl, 2016).

The concept of organization is salient for understanding many social phenomena that happen outside formal organizations, not least many aspects of globalization – like those we mentioned in the first paragraph. Air travel is dependent on a huge number of rules in the form of international standards, goods are marked with fair trade labels, universities all over the globe are monitored and ranked by ranking organizations, and scholars are awarded by organizations such as the Nobel Foundation.

Because there is little systematic research about organization outside organizations, there are many remaining questions about organization. Under what circumstances can we expect organization? Why is organization often partial? Why are some organizational elements used rather than others? When does organization succeed to create order and when does it fail? What difference does organization

make and what consequences does it have? The purpose of this book is to discuss these types of issues, in order to develop greater knowledge about a crucial aspect of contemporary society. We base our arguments on a large number of empirical studies of a wide array of social settings and situations.

After this short overview of our main arguments, we now turn to a more detailed account. In the next section, we use the concepts of social relationship and formal organization to specify further what we mean by organization and organizational elements. We compare organizational elements as they are used within formal organizations with other ways by which social relationships are formed. We then give examples of partial organization outside formal organizations. Thereafter, we discuss the special characteristics of organization that require us to distinguish organization from other forms of order. Finally, we introduce a number of questions about how organization outside formal organizations works in practice and provide an overview of the chapters that follow.

ORGANIZATION AND ORGANIZATIONAL ELEMENTS

In the field of organizational studies there is relatively general agreement over what shall count as a formal organization. When it comes to defining the more general concepts of organization and organizing, there is more variation, less agreement, and a certain lack of clarity. Sometimes organization and organizing are given a broad meaning, identical or close to the concepts of coordination or co-operation (Weick, 1979; Lindberg & Czarniawska, 2006). In this book we use a more narrow and specific definition, which covers a smaller part of social reality but allows us to highlight what we think is a special but crucial phenomenon in contemporary society. Our concept of organization can be understood as describing a special form for achieving coordination or co-operation, but organization may also be used for other purposes and may exist without giving rise to those effects.

We begin our analysis of organization by using the concept of social relationships and relating it to existing knowledge about formal

organizations. This analysis of organization inside organizations we then use in the next section for describing our main theme: organization outside organizations.

According to Max Weber, a *soziale Beziehung* (social relationship) exists as soon as people act with each other in mind and orient themselves to each other, when 'the action of each takes account of the others and is oriented in these terms' (1968: 26). Yet Weber's definition seems to include both what is nowadays called interaction (see, e.g., Goffman, 1972) and more permanent social relationships. Interaction is occasional and merely presupposes the co-presence of those involved. Relationships, on the other hand, are expected to last for some time. A relationship can continue even through periods of isolation and may exist even if the parties seldom or never interact with each other.

Rather than being dependent on co-presence and interaction, relationships are supported by other factors. There are at least five elements that help link people together in a relationship: (1) They know who is involved in the relationship; (2) they have some common ideas about what the relationship involves and what they are expected to do; (3) they have the means to acquire some knowledge about the extent to which the others do what they are expected to do; (4) they have some possibility of influencing each other in a way that makes them fulfil the expectations; and (5) they have common ideas about who can take initiatives and who can act in order to maintain and develop the relationship.

These aspects of relationships may arise in various ways. In formal organizations, they can be decided. By creating a formal organization, one creates a specific type of relationship among the people involved – a relationship that is decided upon to a large extent. The organization is created by a decision, and decisions are fundamental in organizations (March & Simon, 1958; Luhmann, 2003, 2005). People in organizations not only make decisions for what they shall do themselves; some of them make decisions for what others shall do. Organizational decisions are communications about the way people should act or the distinctions or classifications they should make.

Organizational decisions are ubiquitous. But most significantly, the five aspects of relationships constitute objects for decisions in organizations. Organizations are expected to make decisions about (1) who can be a member; (2) rules that specify expectations for what the members shall do; (3) monitoring of what the members do; (4) positive or negative sanctions connected to the members' tendencies to meet the decided expectations; and (5) how decisions shall be made and who shall make them.

These organizational elements bind an organization together and constitute the fundamental relational decisions in organizations. Formal organizations are expected to make decisions on these elements, or at least be able to do so. If they don't, they run the risk of not being considered organizations or 'true' organizations, and scholars tend to characterize them as networks. Yet, these decisions typically constitute only a small part of all decisions in organizations; in Kemper's (2012: 12) terms, relational activities in organizations can be contrasted to 'technical' activities that tend to be more common.

We now discuss the organizational elements in more detail. We systematically contrast the organizational elements to other ways of creating and maintaining relationships – to their functional non-decided equivalents. For each element we start by exemplifying its non-decided equivalents and then show how organization is different.

Membership

In life in general, with whom one has a relationship often emerges as a result of interaction. People meet each other because they get involved in common activities. They have children in the same school class; they share a hobby or the like. Or friends or colleagues introduce them to other people. Such interactions, especially if they are repeated, sometimes lead to relationships that evolve when people get to know each other.

People sometimes categorize themselves or are categorized by others as belonging to a certain group on the basis of ethnicity,

nationality, age, preferred music style, and the like. Such categorizations may lead to relationships as well, as people orient themselves to the actions of their peers and 'think of themselves as equivalent and similar to, or compatible with, others' (Lamont & Molnár, 2002: 188). Such perceived similarities create symbolic boundaries.

In contrast, organizational *membership* is not something that merely emerges in complex and implicit social processes. People in organizations decide who is to be a member. Those who want to become members must usually apply for membership, which is conditional on the approval of existing members. Membership provides a more distinct and less floating categorization of affiliation than do other forms, like friendship. Citizenship in a state is a much more distinct category than nationality is. The duration of a membership may be short, but is often expected to be long, and the decision about membership is often lacking a time frame. For the membership to cease, a new decision is required. Members are not anonymous. They are usually asked to provide a name, address, e-mail address, and telephone number, thereby facilitating further contact. Moreover, new members may increase the importance and strength of those who are already members, because it is possible to communicate how many members there are and who they are.

Members are treated differently than non-members by other members and by non-members. This relationship can be referred to when one wants to interact with other members, thus facilitating the beginning of an interaction. But membership can be upheld without any interaction with other members. As an employee in a firm or a state, one does not interact with all other members. Most members in large contemporary organizations interact only with a few other members, and the task of some members, such as salespeople, may be to interact primarily with non-members. Management control systems may have an enormous impact on members in subsidiaries of multinational companies without requiring much interaction between the subsidiary and the head office. And as a member of

a political party or the Red Cross, one need not interact with any other member.

Rules

Many expectations about how people should behave are controlled by social norms. Norms have slowly emerged, are taken for granted, and have no clear origin, their origin is forgotten, or their origin is seldom brought to mind. They differ across societies and are bound to specific social situations. There are norms for such salient aspects of social life as justice, equality, or reciprocity, but also for such mundane behaviour as the way people greet each other, how they talk to each other, or who shall be invited to a wedding. Norms are sometimes described in terms of their behavioural effects, such as ceremonies, rituals, or traditions. These can even be understood as whole packages of norms.

Many scholars like us make a sharp distinction between norms and decided expectations. In the introduction to an anthology about various ways of defining and explaining norms, the editors describe the difference between norms and laws:

> Social norms, by contrast, often are spontaneous rather than deliberately planned (hence, of uncertain origin) unwritten (hence, their content and rules for application are often imprecise) and enforced informally (although the resulting sanctions can sometimes be a matter of life and death).
>
> *(Hechter & Opp, 2001: xi)*

Although Hechter and Opp talk about laws in contrast to norms, their distinction applies to all types of rules. Rules are decisions about how people are expected to behave: when they shall meet, what they shall do, how they shall do things together, and the goals they are expected to achieve. Organizations such as states or firms typically issue many rules. For achieving internal coordination, they cannot rely only on shared social norms among their members.

The source of a rule is virtually always known. Most rules are in written form, and they often include a statement about who

decided what and when – which does not preclude the fact that people often learn about rules from their colleagues' oral communications. Rules can be specific to certain people. And they are useful for people who do not share norms that are common among the majority.

One can often find a distinction in the organizational literature between rules on the one hand and goals or objectives on the other hand. But as the literature on management by objectives tells us, this distinction is easier to uphold in principle than in practice (Sundström, 2003). A goal or objective is described as an expectation of what shall be achieved, whereas a rule is described as a script for how it shall be achieved; but the difference between ends and means is often vague and open to interpretation. In the context of this book, we do not have to enter this debate, but simply categorize goals and objectives as constituting one form of rules.

Monitoring

People observe each other in their interactions, but in a relationship interaction is often infrequent (or even non-existing), which makes direct observation of what the others are doing virtually impossible. In relationships including more than two people, the parties gossip about each other instead: One person informs another about what others have done or about rumours of what they have done. People tell stories that describe and evaluate the behaviour of the others (Burt, 2005: 105; Gambetta, 1994).

In organizations, principals regularly decide to monitor what members do and how they meet expectations, deciding who and what shall be monitored and by what means. Monitoring systems vary among organizations (Edwards, 1979; Mintzberg, 1983). They can be relatively simple, as when one monitors attendance at work or at a meeting. Or they can be more complicated, as when the organization monitors whether job instructions have been complied with or what results have been achieved. Some organizations, such as schools, regularly use tests and other detailed examinations as monitoring tools.

Monitoring can be done secretly, and even the decision to monitor is not necessarily communicated to the person to be monitored. But most often organizations inform their members about their monitoring decisions, as they may have implications for discipline or may have a motivational effect (Focault, 1977). The 'monitorees' may even demand monitoring – as when students take tests in order to obtain diplomas.

Sanctions

People's (perceived) behaviour in relationships may lead others to pay respect to and honour them, or, conversely, to show contempt for and despise them. Such reactions may, in turn, incite pride or shame with those concerned. But it may also lead others to become more or less interested in contacting them or may cause them to be finally squeezed out of the relationship (Burt, 2005: 105). If it is difficult to avoid meeting a despised person, bullying may arise.

There are many ways to decide about positive sanctions that are appropriate to an observed performance: by giving grades, bonus payments, wage rises, or awards to the employee of the month, or by appointing someone as an honorary member. Negative sanctions may take the form of warnings or lowered pay. Decisions about sanctions are communicated to the person involved – and often to other members as well, in order to demonstrate the preferred behaviour or performance.

Hierarchy

The power of people in relationships may be unevenly distributed. Some have more power than others and are better able to take initiatives and influence the others. Power may be based on superior access to resources that others want, centrality in a multiperson relationship (Borgatti & Halgin, 2011: 1173), or high status. People considered high status, whether by tradition or because of their individual qualities, can even expect voluntary compliance from others (Kemper, 2012).

Some relationships engender leaders – people who, because of their charisma, motivate others to follow them of their own free will. As history has recorded, strong leadership may lead to many disasters, but it may also coordinate a group of people into achieving complicated and difficult tasks.

In contrast, an organization's principals decide who shall have the power to influence others by their decisions and how their decisions shall be made – decisions about how to make decisions, sometimes called constitutions or corporate governance schemes but here called hierarchy. For firms, part of the organization's constitution is decided in law. Instead of relying on leaders, organizations can appoint principals such as chairpersons, presidents, prime ministers, or executives, and they are allowed to delegate their decision-making capability in some issues to hordes of managers or officials. The term 'hierarchy' is often used with reference to that situation. But here we also use the term for constitutions that alternatively or additionally stipulate that all organization members can participate in decision making, at least about some issues.

Hierarchy also includes decisions about the issues that can be decided by the appropriate decision makers. Organization members have a limited zone of indifference, within which they are expected to abide with decisions by their principals – a zone that may be wide or narrow (Barnard, 1968; Stinchcombe, 1990; Ahrne, 1994). In democratic states or bureaucracies, constitutions may be relatively detailed, but the zone of indifference is narrow.

The role of organizational elements in organizations

In conclusion, we argue that fundamental aspects of relationships are the objects of decisions in formal organizations. Organizational elements are functional equivalents of non-organized aspects of relationships. Membership is a functional equivalent of friendship, rules an equivalent of norms, monitoring an equivalent of gossip, sanctions an equivalent of bullying, and hierarchy an equivalent of leadership.

By saying that organizational elements are key aspects of and even constitutive of formal organizations, we do not argue that they

exclude their non-organized equivalents. On the contrary, it is difficult to imagine a relatively large, functioning, formal organization where these do not exist. Weber constructed an ideal type of bureaucracy in which everything was decided, but actual organizations work differently. People form non-decided groups in organizations; they develop norms; they observe and gossip about each other; bullying happens; and leaders who are not appointed managers emerge, gaining authority from their status or charisma.

In fact, much of the organization theory literature has been concerned with non-decided phenomena that can be seen as either problematic dysfunctions, even corruption, or as necessary for making a complex organization function and fulfil its task. The management literature tells us that the art of management does not consist merely of organizing, but of many other ways of influencing people, including a selective spread of information, attempts at convincing people of certain ways of understanding situations, setting good examples. In addition, organizations are embedded in wider societal institutions providing patterns of behaviour that organization members take for granted (Meyer & Rowan, 1977).

These aspects are often called 'informal' in the organizational literature, which is also rife with the term 'formal'. Rarely are either of these terms defined. Our strong impression is that 'formal' most often stands for what we have called 'decided' in this book. Rules, for example, are defined as formal, whereas norms are described as informal. Law is often described as a formal institution, whereas customs are considered informal. The extremely common use of the terms 'formal' and 'informal' is a sign that there is, in fact, a strong need for distinguishing between orders that were decided and not decided. Our aim is to make this distinction more explicit and clearer.

We do not use the terms informal and formal – with one exception. For practical reasons, we adhere to the common use of the expression 'formal organization' – a term that denotes firms, states, and associations, and connotes something that has been created by decision.

ORGANIZATION OUTSIDE ORGANIZATIONS AND PARTIAL ORGANIZATION

Although much organization can be found in formal organizations, it is a mistake to assume that formal organizations have a monopoly on organization. There is organization outside formal organizations as well. The fundamental decisions on membership, rules, monitoring, sanctions, and hierarchy are made without assuming or prescribing that those to whom the decisions are directed belong to the same organization as the decision makers.

Indeed, there is research indicating that the five organizational elements are used in many forms for collective action all over the world and have been used for centuries. In a large research programme conducted over decades, Elinor Ostrom and colleagues studied so-called common pool resource projects, some of which have been functioning for thousands of years – mountain grazing and forests in Switzerland and Japan and irrigation systems in Spain and the Philippine Islands, for instance. Ostrom (1990) has argued that these projects have resolved the problem of efficient use of common resources (the tragedy of the commons) through the use of five so-called design principles: clearly defined boundaries; congruence among appropriation, provision rules, and local conditions; and collective choice arrangements, monitoring, and graduated sanctions. These principles reflect our five organizational elements. Boundaries were constructed through membership; there were clear rules and an agreed-upon procedure for making common decisions and also monitoring and sanctions. In the successful projects, people had been able to apply all the principles; in less successful projects, those involved had been able to use only a few.

Even if Ostrom did not recommend it, her analysis illustrates that all five organizational elements need not be used together. We have dubbed this phenomenon 'partial organization' (Ahrne & Brunsson, 2011), a common form outside formal organizations. Outside organizations there are typically many who act as organizers,

and they often specialize in one element. In what follows, we provide some examples of situations in which elements are used separately in a context outside formal organizations.

Membership is not necessarily connected to other elements. People or organizations may have decided who can belong to a certain group without deciding on other elements. Whether newcomers are to be accepted or not may be their only decision. When and where they meet (if they ever do) may be decided on an ad hoc basis without any decided rules, monitoring, sanctions, or hierarchy. Even if members care about what the others do and they observe each other, they do not have to do this in an organized way. Customer clubs provide one example of such isolated membership. When customers become members, they are no longer anonymous, and they agree to be contacted with offers and invitations, but that is the extent of the organization.

Rules as a single element do not have to be about members; they can just as well pertain to various types of interaction. Common rules facilitate interaction; people know what they can expect of each other. Standards issued by national or international standardization organizations are examples of rules that do not presuppose other elements. The standards are directed at anyone for whom they are relevant. In most cases the standardization organizations do not arrange sanctions, and they rarely arrange for the monitoring that determines who does or does not comply. And there is no generally agreed constitution for who can set standards or how; official standardization organizations often meet competition from other standardizers such as consortia formed by leading firms in an industry.

In other cases, rules are aimed at those who visit a certain place or those who are performing a certain activity that is open for anybody. Those who own or are responsible for a park, a beach, a playground, or a shop may issue rules. The aim of the rules can be to facilitate interaction among those who visit the place, to protect the area from damage, or to protect people living or staying in that place. Many laws are valid for anyone who is present on a state's territory, even though

they are not citizens of that state, and even if there has been no decision to allow them in – as in cases in which there are no border controls between states.

Decisions concerning *monitoring* can be directed towards individuals or organizations, even without previous bonds in the form of membership or without rules. Rating institutes monitor the creditworthiness of firms and states, and many organizations rank universities without necessarily being explicit about the specific rules used. The aim of such decisions is often to try to influence an individual or organization that is being the object of observation to do things in other, ideally better, ways. Or the aim may be to influence the interactions of other people or organizations with the monitored actor through the communication of decisions about results of the monitoring.

Such decisions are often presented in the form of a grade. For creditworthiness, that could be a letter grade like A+ or B; for films or books, it is usually a number of stars or other symbols. Ranking is another form for presenting the results of monitoring, involving a direct comparison among similar objects, such as universities, schools, hospitals, or restaurants. Decisions presented in the format of grades or ranking are more accessible and comprehensible ways of comparing organizations, films, or books than are short reports or reviews.

Decisions about *sanctions* can be directed at individuals or organizations without any previous membership, without any rules or monitoring. Probably the most common form for positive sanctions is the awarding of a prize to a person or to an organization. And no hierarchy needs to be involved, because a prize can be given to someone without any previous contacts or relationship, and anyone is free to give out prizes.

Outside organizations, positive sanctions seem to be more common than negative ones. But there are also negative sanctions in the form of prizes awarded for the worst movie of the year or for bad behaviour, such as environmental pollution. Boycotts are another

type of negative sanction in the form of a decision that recommends others not to interact with a certain organization or person.

Hierarchy can be used without other organizational elements in situations in which a loosely defined group of people or organizations is in need of a way to make certain necessary decisions in order to carry on, as when states decide that one state shall be responsible for chairing their next meeting. A chairperson who has been delegated the authority to lead an open meeting can decide who has the right to talk, thereby providing the possibility for others to listen to what every speaker has to say and the opportunity of having their say. The convener occupies a hierarchical position with the authority to make decisions about future meetings or agendas.

Missing elements

An isolated element is just one form of partial organization. Partial organization can also be described by giving examples of when almost all – but not all – elements are used. Rewards can be combined with rules and monitoring, for instance, providing a way of observing people or organizations to determine their fit with predetermined rules, but not necessarily using membership or hierarchy. In the same way, standardization is sometimes supplemented by monitoring and positive sanctions in the form of certifications for those who comply with the standards (conducted by organizations other than the standardization organizations), but hierarchy and membership are lacking. And membership can be combined with monitoring and sanctions, as in a gang with a strong leader but no hierarchy or rules.

Organization may increase over time. Some people who tend to show up at a bar playing darts may start organizing themselves with membership by making a list of those who participate. Over time the group may form a team in order to participate in tournaments, a decision that may require additional elements such as hierarchy and monitoring.

In a similar way, organization may start with the issuing of standards, and only later does a need develop for monitoring who

does or does not comply with the standard – a situation that gives rise to certification schemes. The issuing of the ISO 9000 standard was followed by an entire industry of firms spread across the globe, monitoring compliance and issuing certifications and awards for the organization with the highest quality (Tamm Hallström, 2004). Another development may start with the issuing of an award that leads people to ask, over time, why certain persons or organizations have received the prize and claim that there should be clear rules for who shall be awarded.

This is not to say that there is a general tendency towards more organization. A situation with only one organizational element may persist. And sometimes the development is in the other direction: from much organization to less. A group of people may lose interest in most of its collective actions, for instance, and no longer need as many organizational elements.

Formal organizations as partially organized

Partial organization exists not only outside the context of formal organizations. Although formal organizations must be represented as having access to all organizational elements, they may not use all of them, a situation that renders them partially organized. Managers of formal organizations may not have such lofty ambitions that they need to use every organizational element. When membership is used as a marker of status, for example, an organization may offer only membership or members can choose to be members only. Members then gain high status because they belong to a high-status club, but they do not have to comply with any rules or participate in any activities. The organization has few or no activities on its programme, and thus has little need for other organizational elements.

In other cases, the functional equivalents of organization may be enough to satisfy some of an organization's purposes. A firm may abstain from monitoring its employees because management is confident that customers will immediately complain if the quality of service declines. Organizations may also be embedded in such strong

institutions that they lack both the need and ability to organize. Many aspects of teaching and research are so heavily institutionalized that academics have little need or ability for much organization. Many aspects of running a research or teaching seminar are taken for granted, and few decisions need to be made; in fact, any decision that goes against the institutionalized way runs the risk of being met with lack of understanding or even resistance.

The fact that there can be much organization outside formal organizations and little inside and vice versa makes the difference between organizations and their environments less dramatic than is usually assumed in organization studies. It is not the existence of organization that makes organizations differ from their environments. Rather, the difference is due to the special social construction of formal organizations that is typical of modern times. A formal organization is constructed as a type of entity, not unlike the way individuals are constructed, as a kind of person (usually a legal person) who can own resources, can be addressed by others, and is thought of as an actor, able to act as one entity; such persons are responsible for their actions (Brunsson & Sahlin-Andersson, 2000; Meyer & Jepperson, 2000; Dobusch & Schoeneborn, 2015).

Arguably, the expectation that organizations have access to all organizational elements makes the construction as one actor seem more realistic because the use of these elements is believed to lead to a high degree of coordination. If one wants something to be unambiguously perceived as a formal organization, therefore, one cannot completely deny that this entity has access to every organizational element. Organizations that are weak in organizational elements but are under pressure to prove that they are indeed formal organizations can be expected to produce much hypocrisy (Brunsson, 2007, Ch. 7). They represent themselves as more organized than they are. This is a likely situation for contemporary states (Krasner, 1999), but also for universities.

Although there is a relationship between organizational elements and the constituting aspects of a formal organization, it is

noteworthy that a situation in which all organizational elements are used does not alone produce a formal organization. Many markets are organized by all five elements, yet they are markets rather than formal organizations (Brunsson & Jutterström, 2018). In a previous paper (Ahrne and Brunsson, 2011), we have called a situation in which all elements are used 'complete' rather than 'partial', but a complete organization does not necessarily create an entity in the form of a formal organization.

THE SIGNIFICANCE OF ORGANIZATION

There is great interest in contemporary social science for bases of social order other than organization – primarily for institutions and networks, which are substantially different from organization and from each other. It is crucial to distinguish between these forms when studying and analysing stability and change of social structures. Institutions and networks that come into existence in a way other than organized order are affecting people's behaviour for other reasons, and their patterns of change are different. In order to specify further the special characteristics of organization, it is useful to compare it with institutions and networks.

An institution can be defined as a stable, routine-reproduced pattern of behaviour, combined with norms and conceptions that are taken for granted by larger or smaller groups of people (Jepperson, 1991). Institutions emerge from long processes of mutual adaptation among people (Berger & Luckmann, 1991: 75); they develop slowly (Czarniawska, 2009) and are difficult to change (North, 1998: 498).

The term 'network' has been used in social science for describing almost any relationship among people (Thompson, 2003: 2; Borgatti & Hagin, 2011: 1168). Yet there are more stringent definitions that describe a network as a special social form with specific characteristics (Marsden, 2000: 2727; Granovetter, 1985). A network, then, consists of non-decided structures of relationships linking social actors. Like institutions, such pure networks are emergent structures. They are established and expanded through people meeting in various

contexts and getting to know each other. But this is a slow process (Burt, 2005: 99). Networks are embedded in other social relationships; they do not have any natural boundaries; it is the researcher that defines the network (Borgatti & Haglin, 2011: 1169). Networks have no names or identities and do not announce what they are doing; they are 'silent' (Bommes & Tacke, 2005). Networks are generally assumed to be non-hierarchical and are maintained through reciprocity, trust, and social capital (Borgatti & Foster, 2003; Podolny & Page, 1998; Bommes & Tacke, 2005). Just like the concept of institution, the concept of network describes results rather than attempts, and it is difficult to point to some one person as responsible for these results.

Like networks, organization has to do with relations and inter-actions among people or organizations; and just like institutions, organization can produce common patterns of behaviour among people. But in many other respects, organization can be seen as the opposite of networks and institutions.

Organization is not an emerging order but is based on decisions. Organization comes into being through the communication of decisions (Schoeneborn *et al.*, 2014: 309). An organized order has certain qualities that mark its difference from emergent orders. It is more likely to be controversial; it implies other mechanisms of change; it is more visible; it concentrates responsibility; it can be more specific; and it can introduce a comparison between intentions and results.[1]

Decisions are far from taken for granted. A decision presupposes that there are options: A decision could have been different; another option could have been chosen. Thus, decisions can always be contested and they regularly are. By signalling their own contingency, decisions tend to dramatize uncertainty – uncertainty about their appropriateness and their chances of implementation (Brunsson, 1982; Luhmann, 2000). Decisions may be changed by new decisions, which may happen quickly.

Those expected to be affected by the decision need to know that the decision was made. Decisions must be communicated. Furthermore, the decision makers are visible and perceived as

responsible for the decision. There is someone who can be blamed if one dislikes a decision and someone to whom protests are to be directed. Quests for transparency, accountability, and democracy involve quests for decisions – an order that is not decided is more difficult to challenge. One fundamental argument for state constitutions, for example, is to avoid power stemming from centrality, status, or leadership (cf. Perrow, 1986).

According to March and Simon (1958: 3), a distinctive quality of decisions is their specificity in contrast to the diffuseness of other influence processes in society. Decisions can be adjusted to specific situations and be more detailed than institutions.

Organization constitutes an attempt to create a specific order, but much organization fails (Brunsson, 2009), and these failures are visible for those who know and remember what was decided.

Identification of the differences among organization, institution, and networks is salient not only because of the different effects and dynamics that characterize these forms, but also because it makes it possible to analyse transitions among them. Organization is sometimes institutionalized – when a standard becomes taken for granted, for instance, and its origin in a decision is forgotten or seen as irrelevant. A pure network may become organized, perhaps starting with a listing of members and then with the introduction of more organization. Institutions may become organized – when professional norms are formulated in explicit rules, for example. All such transitions are examples of crucial changes that produce new orders with different conditions for further development, but they can be understood only if we have concepts that differentiate among the types of order.

Organization as attempt

Decisions in general are attempts, and it is an old observation in decision and organization theory that their implementation is uncertain. Not least is this true for decisions directed towards others. The purpose of such decisions is to influence others' decisions – to make the decision makers make decisions for themselves that are consistent

with the first decision. Such decisions can be described as compliance with or acceptance of the decisions of others.

It is far from certain that everyone complies with rules decided by others, that they agree to become and remain members, that they accept prizes, that they tolerate and do not sabotage monitoring, or that they recognize the rights of others to make decisions for them at all. Indeed, people may not even notice that others have made decisions that they think should concern them. All these problems may exist within formal organizations, but they are even more acute with organization outside organizations.

As we have argued here, creating a formal organization is one way of establishing a relationship among the organization's members, one implication being that the members are expected to be informed about organizational decisions and consider them as relevant for them – although those expectations are not always met.

Organization outside organizations can sometimes build on an existing relationship, such as when people knowing each other begin organizing their relationship, or when firms interacting in a market start organizing their relations. In other cases, organizers try to organize people with whom they have no previous relationship. Such organizing is more difficult because it must be combined with attempts to make the decisions not only known, but also relevant for the target group – who should at least consider the organizers' decisions when making their own decisions.

The connection can sometimes be made at a specific place: A shop may inform customers of the fact that they are monitored by cameras; a set of rules can be announced on a billboard in a park; a brochure can be given to people crossing a state border to inform them about national traffic rules. The organizer in these cases builds on the assumption that the people targeted share the institutions of ownership and state.

In other cases, the organizer has no such assistance, but must try to establish a mutual relationship with those they want to organize – a relationship that means that the people being organized find the

organizers' decisions to be relevant. A standardizing organization tries to make other organizations consider its standards when developing new products and processes, for example. Amnesty International wants its decisions to be considered relevant by all state governments. A common idea behind a prize is not only that the winner shall decide to accept it, but also that others shall think of the possibility of receiving a prize or at least consider the values that the prize expresses when making their decisions. Retail chains try to establish a relationship with their customers by sending them membership cards.

The task of these organizers may not be as hopeless as it seems, however. They can build on the relationships that exist within their target groups. Because of the relationships among firms in a value chain, it may be enough that one dominant firm accepts a standard for the others to do the same. Small Amnesty groups in various countries have relationships with journalists or lobbyists who, in turn, have strong relationships with key politicians.

Even if people observe the decisions of others and consider them relevant, there is no guarantee that they comply with them in making their own decisions. But their decision to comply with earlier organization decisions may constitute premises that make it more likely that they comply with future decisions. Within formal organizations, the decision to accept membership or hierarchy becomes a premise that increases the likelihood for accepting further decisions that are made within the context of this organization, because members are expected to comply with such decisions. If one decides not to comply, one questions one's earlier decision to become a member and transforms the decision into two decisions: to comply or not and to revoke one's membership or not.

Similarly, organizational elements outside organizations can form positive premises for each other. The decision to accept hierarchy, for instance, makes it more likely that decisions made according to a constitution are complied with; decisions to accept a rule makes it

more likely that monitoring according to the rule is accepted. Such links among decisions create a certain path dependence that supports organizers. But it also means that the organizer who can or wants to use only a few elements has a more difficult time making an impact than do organizers who are willing to and expected to use all five elements – the management of formal organizations, for example.

PUZZLES OF ORGANIZATION

Organization happens in both the small world and the big world. Friendship relationships and marriages can become organized; protest groups and social movements are partially organized; relationships among firms in a value chain can be more or less organized; and almost all markets are organized to some extent. In the big world, formal organizations are the main organizers, active in organizing not only themselves, but also their environments. To do so, they need not merge with other organizations. They can expand their control of the environment with decisions on one or a few organizational elements, sometimes on their own, sometimes in co-operation with other organizations in meta-organizations or co-operative networks (Ahrne & Brunsson, 2008; Sydow, 2005).

Yet, the social sciences have demonstrated limited interest in organization. The emphasis in most fields has been on such emerging orders as institutions, cultures, and networks. And we believe that organization has often been overlooked in the social sciences other than organization studies. One indication is that concepts from the world of organizations are often used metaphorically rather than ana-lytically. The language of organizations and organization studies is used for describing other phenomena. Institutionalized norms for behaviour are described as 'scripts' (Tilly, 1998), for instance – a bewildering metaphor, because there are, in fact, no scripts in these situations – no decisions about how things should be – yet people know how to behave. The term 'membership' has been used to describe the characteristic of belonging to a culture (Lamont & Molnár, 2002); by using this term, the authors use the language of

organizations in a rather misleading way, while completely ignoring the fact that organizations are major creators of social boundaries in the modern world. Social norms for gender are described as 'negotiated' (Finch & Mason, 1993), and agency is described as distributed (Garud & Karnøe, 2003). All these terms indicate that there are decisions behind them – that someone has decided on a script or on membership, that people have come to a common decision after a negotiation, or that someone has distributed agency to some persons and not to others. But characteristic of all these phenomena is the fact that they are *not* decided or do not lead to a decision. Were they actually decided, the world would be different indeed. Gender inequality, for instance, could be abolished simply by a new negotiation leading to a new decision! Using organization concepts as metaphors indicates that the authors do not consider it important to uphold the distinction between the organized and non-organized. For those who think differently, the metaphors are likely to produce more confusion than clarity.

An investigation of the occurrence of organization can serve as a bridge between organization theory and more general social theory. Through studying partial organization, we can learn when, how, and why social interaction and social relationships become organized, and we can observe the consequences of organization. But because we are dealing with partial organization, we can also explore the limits of organization: why organization is sometimes partial rather than complete, and why some organizational elements are not used in specific situations. And it will also be possible to see when organization fails.

For understanding such issues, it is useful to look at the development of partial organization. Which elements were organized first and in which combinations? What triggers more or less organization? Do demands for more organization come from organizers, from those organized, or from others? What is achieved by organization? Is something lost? Are there risks? What are the options to organization? The answers to these questions and more are discussed in this book.

The aim of the book is threefold. First, we demonstrate the existence of organization in many settings, including intimate relationships, social movements, criminal gangs, networks, corporations, and markets. Second, we offer at least tentative explanations for why there is more or less organization in various situations and when and why organization is sought and when and why it is not. Third, we discuss the ways in which our concept of partial organization helps offer better explanations for a large number of social phenomena than existing explanations do.

In **Part 1** of the book we discuss the use of specific organizational elements. In Chapter 2 (*Standards between Partial and Complete Organization)*, Andreas Rasche and David Seidl analyse rules in the form of standards. Standards are probably the most powerful organizational element for organizing the contemporary world. In this chapter, the authors demonstrate why standards are sometimes combined with other organizational elements and the dynamics among elements are discussed.

Prizes are ubiquitous today, and the awarding of prizes is expanding into virtually every area of social life. A prize is a positive sanction sometimes combined with other organizational elements. In Chapter 3 (*Prizes and the Organization of Status*), Peter Edlund, Josef Pallas, and Linda Wedlin explore three ways in which prizes vary: through the uses of rules, membership, and the ways in which prize decisions are communicated. A lack of rules and membership allow the decision maker greater freedom to choose the winner. It also makes it more difficult for others to predict to whom a prize will be awarded, thereby giving the prize an aura of mystery.

Membership is often regarded as fundamental in all types of organization. In Chapter 4 (*Membership or Contributorship? Managing the Inclusion of Individuals into Organizations*), Michael Grothe-Hammer compares membership to contributorship, which is another way of organizing participation. Based on two case studies, he demonstrates how contributorship can be understood as a matter of decision concerning the ways in which individuals can contribute. An

absence of membership does not necessarily make the boundary of an organization open or fluid. Contributorship may generate more organization for a short time, but it is more volatile than membership.

Markets are often described as being decidedly different or even the opposite of organizations. Yet, markets and organizations are similar in the sense that they are both organized. In **Part 2** of the book we analyse organization in and around markets.

In Chapter 5 (*The Partial Organization of Markets*), Nils Brunsson demonstrates how markets are organized by different combinations of organizational elements and by different organizers. He distinguishes among four types of market organizers: sellers, buyers, profiteers (those who profit from organizing the market activities of others), and 'others' (those who try to organize markets in the interest of anyone other than themselves). He further discusses how market organizers contribute to the uncertainty and changeability of many markets.

In Chapter 6 (*The Organization of Digital Marketplaces: Unmasking the Role of Internet Platforms in the Sharing Economy*) Stefan Kirchner and Elke Schüßler analyse digital marketplaces as a relatively new form of market organization. By drawing on two exemplary cases, Lyft and Airbnb, they show how profiteers succeed in organizing consumers, turning them into sellers, while legitimizing their activities by using the somewhat romantic but unrealistic label of the 'sharing economy'.

In Chapter 7 (*Organizing for Independence*), Ingrid Gustafsson and Kristina Tamm Hallström ask how market profiteers such as certification and accreditation organizations can use one or a few organizational elements in order to argue that they are independent evaluators of sellers and their products. The authors analyse how the search for independence results in the addition of elements to elements, driving more and more organization and forming a complex system of interdependent organizations, which resembles a rational, authoritative Weberian bureaucracy.

Organization and institution are different forms for social order, but they also exist side by side. Institutions may be reinforced by

organization, but organization may also be a threat to an institution. In Chapter 8 (*Queues: Tensions between Institution and Organization*), Göran Ahrne, Daniel Castillo, and Lambros Roumbanis use queues as an example. The idea of how to form a queue has strong legitimacy as an institution. The authors discuss why queues are sometimes supported by organization, in the form of monitoring, for instance. But when an organization decides the order in which people are admitted, little remains of the institution of the queue.

Social relationships such as networks, families, kinship or brotherhood are not usually regarded as organized. But they often rely on one or several organizational elements. In **Part 3** we examine a number of social relationships and compare the organizational elements with their functional equivalents and discuss the consequences of and obstacles to organization.

We begin with two chapters analysing organization of networks. In Chapter 9 (*The Inter-Firm Network as Partial Organization?*), Jörg Sydow argues that the concept of partial organization assists in the understanding of the development of inter-firm networks from initial market relationships and from hierarchical organizations. With many examples, he analyses the management of inter-firm networks through various combinations of organizational elements.

In Chapter 10 (*An Organized Network: World Economic Forum and the Partial Organizing of Global Agendas*), Christina Garsten and Adrienne Sörbom demonstrate how the World Economic Forum (WEF) organizes a global network of representatives for large business firms and states. They argue that WEF representations of the network downplay its high degree of organization. The decision for anyone to become a member of any type of WEF group lies primarily in the hands of WEF staff, and they keep their invited participants under close supervision. Monitoring and sanctioning is built into the organization at all levels.

In Chapter 11 (*Organizing Intimacy*), Göran Ahrne compares three types of intimate relationships: families, friendship, and

kinship. There are considerable differences among them not only in their degree of organization, but also in the elements present. But there are also differences within the same type of relationship regarding the amount of organization and the ways in which the relationship is organized. An investigation of organizational elements in intimate relationships also provides an awareness of the limits of organization and why intimate relationships remain partially organized.

Organized crime is a concept that covers many types of criminal actions. Law enforcers and the media often discuss whether a crime is organized or not, but rarely do they address the question of how it is organized. In Chapter 12 (*How Is 'Organized Crime' Organized?*) Göran Ahrne and Amir Rostami explore the usefulness of applying the idea of partial organization in order to find variations in how and to what extent crimes are organized. They examine three examples: outlaw motorcycle gangs, street gangs, and mafias, and explain why some of them are formal organizations, whereas others are organized to a limited extent.

Brotherhood is a social relationship that is associated with strong affectual bonds. But in Chapter 13 (*Brotherhood as an Organized Social Relationship*), Mikaela Sundberg argues that brotherhood presupposes decisions about membership and is connected to formal organizations, and thus differs from friendship. The analysis is based on three cases: outlaw motorcycle gangs, armed forces, and Catholic monasteries.

People in social movements and similar types of collective action often do not want to be regarded as formal organizations, yet most movements must struggle with the dilemma of organization. In **Part 4**, we discuss the partial organization of social movements and collective action.

Chapter 14 (*The Dilemma of Organization in Social Movement Initiatives*) is a study of a local social movement – timebanking – that examines the tensions around hierarchy and leadership; why and how hierarchy is resisted. Mikko Laamanen, Sanne Bor, and Frank den Hond illustrate how a group vested in the idea of horizontal, non-

hierarchical collective action is dealing with the coordination and decision-making challenges they meet over time.

The following two chapters demonstrate how the use of Internet and social media has changed the preconditions for organization. In Chapter 15 (*Alternating between Partial and Complete Organization: The Case of Anonymous*), Dennis Schoeneborn and Leonhard Dobusch develop a process perspective on partial organization and how the various organizational elements interrelate jointly, to constitute organizational phenomena. They show how a temporary use of all elements occurred in and through a communicative event when Anonymous publicly 'celebrated' a decision to exclude a 'member', thereby demonstrating the social collective's ability to mobilize all five elements when needed – elements that were absent most of the time.

Noomi Weinryb, Cecilia Gullberg, and Jaakko Turunen wrote Chapter 16 (*Collective Action through Social Media: Possibilities and Challenges of Partial Organization*). It builds on a story of the organization of a fundraising campaign for refugees through social media. The unorganized character of an initial call led to rapid development. The technological affordances of the social media platform served as a substitute for hierarchy, and there were no members or rules. The initiators were soon forced to introduce several rules for the collection and distribution of donations, however, and the activists and donators made demands for monitoring how the donations were being used.

In **Part 5** we analyse the partial organization of formal organizations.

In Chapter 17 (*Partial De-Organizing for Innovation and Strategic Renewal? A Study of an Industrial Innovation Programme*), a continuum from emergent to decided order is used to create an understanding of the dynamics in formal organizations, using a case of 'de-organization' of a large industrial firm. Frank den Hond, Kati Järvi, and Liisa Välikangas investigate the extent to which the partial deconstruction of its hierarchy led to innovation and strategic renewal.

Along with Dieter Kerwer, we discuss the difficulties of organizing meta-organizations in Chapter 18 (*The Partial Organization of International Relations: International Organizations as Meta-Organizations*). Meta-organizations – organizations with other organizations as their members – are paradoxical constructions; they are autonomous actors with autonomous actors as members, which explains why they are often unable to use all organizational elements. We take the example of international government organizations to explain why meta-organizations tend to be weak organizations, but we also point to some of their strengths. We argue that membership is a key element in international government organizations.

In the **concluding Chapter** 19 (*More and Less Organization*), we highlight the empirical findings, and use the analysis of the preceding chapters for discussing origins and motives for partial organization and what triggers the process of adding or eliminating organizational elements: why there is more or less organization. We discuss why people's interests in organization do not always lead to the formation of a formal organization. We argue that partial organization outside formal organizations tends to become more extensive and salient in a globalized world – partial organization should be a major research topic for students of organization.

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NOTE

1. A more detailed account of differences among organization, institution, and network can be found in Ahrne and Brunsson (2011).