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Resurrecting organization by going beyond organizations

Göran Ahrne^a, Nils Brunsson^b, David Seidl^{c,*}^a Stockholm University, Sweden^b Uppsala University, Sweden^c University of Zurich, Switzerland

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ABSTRACT

This essay is motivated by two related observations about the field of organization studies. First, organization studies researchers have traditionally been good at importing ideas from other areas of research but poor at exporting their own ideas to other fields. Second, even within the field of organization studies, interest in organizations has decreased over the past decades as organization scholars have turned away from organizations to address such other phenomena as institutions or networks. Both developments are undermining the significance of organization studies as a distinctive field of research, the insights of which are necessary for understanding modern society. In this essay, we elaborate on recent suggestions by distinctively European scholars for strengthening concern for the particularities of organization in social theorizing. The first suggestion is to move decisions back to the core of the field. The second suggestion is to extend the notion of organization beyond organizations. We illustrate these two moves with examples from the literature and discuss implications for the future of organization studies.

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1. Introduction

Organization studies is a large field of research involving thousands of scholars all over the world and taught at universities and at an ever-expanding number of business schools (Augier, March, & Sullivan, 2005). The field has a wide agenda – dealing with almost any type of event in formal organizations and other more general social phenomena such as institutional logics, institutional work, categorization, and networks. Organization studies has been open to import concepts and theories from other social sciences and even from natural science, including such disciplines as economics, psychology, science and technology studies, and biology. However, organization studies has been less successful in exporting its ideas to other fields of social science; interest in the issues addressed by organization studies is not great outside the field. Many scholars, like Bourdieu, Giddens, or Habermas, who presented general societal theories during the late 20th century seemed to need no concept or theory of organization and the concept is almost equally weak in economics. The common view among organizational scholars – that organizations matter and

that modern society is filled with organizations, such that it can even be characterized as a “society of organizations” (Perrow, 1991) or an “organisational economy” (Simon, 1991) – has had little impact outside the field of organization studies.

In order to make organization a relevant category, one must demonstrate that the social order we find in organizations is not a mere reflection of a more general social order that can be adequately understood by concepts and theories describing society in general. An early example is Max Weber's (1922) theory of bureaucracy, which described organization as a specific phenomenon requiring special concepts and a special theory. A generation later, March and Simon (1958) characterized organizations as a specific type of social order, distinct from other forms of order. Yet, whereas classic organization scholarship was concerned with the particularities of organizations, over the past few decades there has been a drift away from organizations to such other phenomena as institutions or networks.

In this paper, we develop two proposals for the future of organization studies aimed at increasing its significance and relevance for studies of social processes outside organizations. The first move involves a return to the classics by emphasizing the distinctiveness of organization as a particular type of social order. We argue that this requires a return of decisions to the core of the field. The second move involves the extension of our notion of organization

* Corresponding author.

E-mail address: david.seidl@uzh.ch (D. Seidl).

beyond (formal) organizations, thereby allowing insights from organization research to be applied to phenomena studied in other fields and increasing the chance of a transfer of theories and concepts to other disciplines.

The rest of this paper is structured into five sections. We first elaborate on how the field of organization studies has increasingly lost sight of organization as its central object of research. We then advance our suggestion to return to the classics and put decisions at the core of the field. This is followed by an elaboration of our suggestion to widen the concept of organization to phenomena beyond formal organizations. We then illustrate how organization studies can fruitfully be extended to other domains such as markets, standards or families. And finally we elaborate on the general implications of the two suggestions and suggest a new research agenda for organization studies.

2. Organization studies losing sight of the organization

Although organizations have been studied since the days of Max Weber and even before, the field did not really take off until the 1960s. In their seminal book, *Organizations*, James March and Herbert Simon (1958) summarized organizational research up to that time and laid out issues for further inquiry. They argued that organizations had played “an unobtrusive part in the literature of modern social science” (March & Simon, 1958: 2). They attributed that lack of attention to the fact that little was known about organizational research in other social sciences, and it seems that they hoped to remedy that situation with the publication of their book. Their explicit motivation for a special theory of organizations was that organizations influence people's behaviour in a different way than was the case outside of the organizational context. This influence makes a particularly high degree of coordination possible, which “accounts for the ability of organizations to deal in a highly coordinated way with their environments” (March & Simon, 1958: 4).

A significant theme of the book was decisions and decision-making. March and Simon argued for a perspective from which organization members are seen as decision makers and problem solvers. The book was followed by extensive research into organizational decision-making, with March and Simon as forerunners, but with contributions from many others (Brunsson, 2007; Hodgkinson & Starbuck, 2008; March, 1988; Simon, 1960). In particular, the weak relationship between rationality and decision was emphasized. And an important issue became the extent to which and how decisions were implemented (Pressman & Wildavsky, 1973).

Another dominant theme in early organization theory, already present in March and Simon's book, was the relationship between organizations and their so-called environment. Arguably, this perspective came from systems theory in biology, which was fashionable at the time, and in which the distinction between organism and environment was translated to organization and environment (Czarniawska, 2013). In biology, this distinction can be understood as a physical one, whereas for organizations it can only be a metaphor, which can be helpful or misleading.

These themes fit well into an argument for organizations as representing a special social order worthy of its own concepts and theories. The metaphor of organization and environment indicated that there was a fundamental difference between the two. March and Simon (1958: 4) contrasted organizations – which they assumed to have individuals as their members – to “the diffuse and variable relations among organizations” and mentioned markets as an example of organizational environments. Although it was noted early that a large part of the “environment” consisted of other organizations (Perrow, 1991), they were not assumed to be ordered in

the same way. March and Simon discussed decisions and communication and compared the high specificity of the transmission of a customer order within organizations with the low specificity of the transmission of rumours in society. Organizational order seemed to be largely a decided order, filled with plans and instructions, an order that differed from the order outside the organization.

In the late 1970s, however, an article by John Meyer and Bryan Rowan (1977) sparked the development of a new approach in North-American (and later also in European) organization scholarship which came to be known as neo-institutional theory and which provided a fundamental criticism of the earlier perspective on organizations. According to proponents of this theory, the image of organizations as locally decided orders was exaggerated at best and misleading at worst. Instead, a more traditional sociological perspective was revived. Organizations were treated as local editions of a major societal institution, and much if not most of their behaviour was seen as determined by institutions rather than by local decisions unique to each organization. In essence, organizations were conceptualized not so much as local orders, but as orders representing wider social institutions. Accordingly, the driving force of change in organizations was seen to lie not in the internal conditions and organizational decisions, but in changes in ideas, perceptions, and norms in society at large or in a particular organizational sector or field.

With the rise of institutionalism, the concept of the organizational environment became awkward; although it seemed possible to describe other organizations or markets as being outside a focal organization, it was difficult to describe institutions as existing outside organizations. Organizations were rather conceptualized as being submerged in a wider culture. But most important, the institutional argument was radical and reactionary, at least implicitly, in the sense that it questioned the fairly new and fragile idea that the study of organizations required its own concepts and theories. Yet unexpectedly, the institutional perspective became extremely influential in organization research for three decades. It has also been highly fruitful, giving rise to many new insights in organization studies, many of which are now central parts of the standard knowledge in the field. Still, we believe that it is now worth reviving the search for the special characteristics of organizations that can be found in the classical version of organization studies. The fact that organizations are deeply immersed in a wider culture does not preclude the possibility that they are also special systems with special characteristics. First and foremost, we believe that it is time to revive the fundamental idea of the significance of decisions and decision-making in organizations.

3. Back to the classics – decisions at the centre

On the European scene, at least two attempts have been made to put decisions back at the core of the field, as fundamental phenomena for understanding organizations and for distinguishing them from other social phenomena. One attempt was undertaken by Niklas Luhmann who in the 1960's started to analyse organizations as systems of decision, a project that ended in 2000 with the posthumously published book, *Organization and Decision* [*Organisation und Entscheidung*] in 2000 (Seidl & Mormann, 2015). Inspired by March and Simon (1958), Luhmann argued that organizations differed from other forms of social order in that they were based on decisions, which Luhmann conceptualized as a particular form of communication. Decisions, he argued, differed from “ordinary” communications in that they informed not only about a particular content (i.e. the selected option), but also about the fact that this content is the result of a selection (Luhmann, 2005). In other words, the decision highlights its own contingency – the fact that there are other options that could have been selected; only by

highlighting this fact, can the decision be recognized as a “real” decision rather than a necessity.

Luhmann argued that because of their specific form, decisions are particularly precarious communications: highlighting the existence of other options makes it easy for ensuing communications to question the selected one: Why was it selected over others if they are all “real” options? At the same time, this form of communication is an extremely powerful order-generating mechanism. Drawing on March and Simon's (1958) concept of “uncertainty absorption”, Luhmann argued that decisions reduce the uncertainty for ensuing communications: To the extent that a decision is accepted by ensuing communications, those communications can take the selected option as given, and can ignore the uncertainty involved in the original decision making. This allows organizations to handle greater levels of complexity than other forms of social order. It enables firms to mass produce goods, schools to provide education on a large scale, and governments to administer states (Luhmann, 2000; Seidl & Becker, 2006).

Having put decisions at the core of his organization theory, Luhmann traced all organizational structures and processes back to decisions. Drawing again on March and Simon (1958), he argued that organizational structures could be conceptualized as decision premises. These decision premises, which are the result of earlier decisions, define the scope for further decisions. For example, organizations decide on decision programs (e.g. plans) or on channels for decision communications (e.g. particular hierarchical structures). Organizational processes, in turn, are conceptualized as processes of decisions, whereby one decision calls forth ensuing decisions, resulting in a self-reproducing stream of decisions. Together, this leads to a radical view of organizations as “systems of decisions that consist of decisions that produce the decisions of which they consist, through the decisions of which they consist” (Luhmann, 1992: 166, our translation).

Ahrne and Brunsson (2011) made a more recent attempt to analyse decisions as fundamental for organization. Their purpose was to find a broader conceptualization of organization than formal organizations – yet precise and not too broad. They defined organization as a “decided social order” – an order that is the result of decisions and that could be contrasted to such emergent orders as institutions and networks. Drawing partly on Luhmann (2000), they conceptualized decisions as *communications* of selections about what people are expected to do, how they are being classified and how they are being treated. Organization is characterized by the fact that all the elements necessary for the continuation or repetition of social interaction are the result of decisions, rather than the result of common institutions, norms, or status differences. In line with that notion, they identified five fundamental decisions for organized social interaction. 1) It is necessary for those involved in the interaction to know who else is involved. In organization this is accomplished through decisions on *membership*, defining who is a member and who is not. 2) It is necessary for the participants to gain some shared understanding about what they are doing and how to do it. In organization, this is accomplished through decisions on *rules* for the actions of the members. 3) It is necessary for the participants to be able to observe each other to know how to continue. In organization this is accomplished through decisions on how to *monitor* the members. 4) Participants must be able to get others participants to do what is expected of them. In organization this is accomplished through decisions about positive and negative *sanctions*. 5) Participants must have an understanding about who has the initiative and power. In organization this is accomplished through decisions about *hierarchy*, (i.e. through decisions about which decisions are binding). These five types of decisions are seen as the elements of organization. They are constitutive for formal organizations; in other words, a formal organization is expected to

have access to all these elements in creating its internal order. But organizational elements can also exist outside the context of formal organizations, as we discuss in the next section.

4. A step beyond the classics: organization outside and among organizations

A standard assumption that has remained in the field since classical times is that organization studies is about formal organizations. It is no coincidence that March and Simon's book was entitled *Organizations* with an “s” rather than *Organization*. A more abstract definition of organization introduces the possibility that organization can take place in contexts other than those provided by formal organizations (Ahrne & Brunsson, 2011). This was suggested early on by Karl Weick (1969), who proposed that we speak of “organizing” rather than “organizations”. Weick extended the term to include *any* form of social order, however, such that “organizing” becomes more or less synonymous to “(re)production of social order”. We consider this suggestion problematic in that it undermines the potential for organization studies contributing a distinctive perspective on the social world – a perspective that would also be useful in other disciplines. (After all, all disciplines within the social sciences are involved in explaining the (re)production of social order.) In contrast, the proposed concept of organization as “decided order” allows for the transfer of the term to other domains outside formal organization, while simultaneously preserving its distinctiveness.

This extension of the concept of organization to phenomena outside formal organizations challenges the relevance of the classical distinction between organization and environment and questions the idea that organization and environment are fundamentally different. This leads instead to the new distinction between organized and non-organized social interactions. Hence, in the terminology of both distinctions, one can describe organization as something that happens both inside and outside formal organizations. Such formulations open up new areas for analysis for organization studies, namely for social phenomena outside organizations. But the reverse is also likely; many things that happen inside formal organizations are *not* examples of organization but of networks or institutions, for instance.

An important step in allowing the concept of organization to transfer to domains outside formal organizations is the acknowledgement that a “decided order” does not necessarily require all the five elements of organization – decisions on membership, hierarchy, rules, monitoring and sanctions – to be present at the same time. This conception of organization opens up the possibility that organization may come in parts, such that only one or a few elements of organization are actually used within or outside a formal organization. Ahrne and Brunsson (2011) have written in this context of “partial organization”, which they distinguish from “complete organization”, where all elements of organization are present. Related to that distinction Dobusch and Schoeneborn speak of different degrees of “organizationality” (Dobusch & Schoeneborn, 2015). Some social orders are based only on membership as a means of organizing, whereas the other elements of organization are missing. This is the case with so-called “customer clubs” initiated by commercial firms: the IKEA Family Club or the British Airways Executive Club, for instance. In other cases, the social order may be based only on hierarchy, as when participants in a meeting nominate somebody as chair.

There are three reasons why organization may only be “partial”. 1) People may see no need to use all organizational elements; an order may already exist, for example, and one merely wants to add one or two organizational elements to shape this order. 2) People may not want to add more organization, because they are not

willing to pay the cost in the form of necessary effort or the responsibility that tends to come with organization. 3) People are not able to use all the elements, even if they should like to.

As a consequence of the partiality of organization, there is an increased probability that decisions may be challenged and implementation may not happen. Along these lines, *Ostrom (1990)* argued that all organizational elements – which she referred to as “design principles” – must be employed in order that common pool resources be handled successfully. She showed that the failure to introduce all elements of organization resulted in outcomes detrimental to the majority of interested parties. In other settings, however, partial organization may be highly successful, as we describe below.

5. Extending organization studies to other domains

Acknowledging that organization as a form of social ordering can also occur outside formal organizations creates the possibility of applying genuine concepts of organization studies to phenomena that have traditionally been studied from other disciplinary perspectives. In this section, we illustrate the potential of the proposed extension of the concept of organization by showing how it can be applied to the study of standards, meta-organizations, markets, networks, and families.

5.1. Standardization

Standardization is one phenomenon to which the extended concept of organization has been applied. Standards can be defined as “rule[s] for common and voluntary use, decided by one or several people or organizations” (*Brunsson, Rasche, & Seidl, 2012: 616*). Standards can be found both within and outside formal organizations and have become such a common feature of modern life that one may even speak of a “world of standards” (*Brunsson & Jacobsson, 2000; Timmermans & Epstein, 2010*). Although there is an established body of literature in organization studies that has examined how organizations – the International Organization for Standardization (ISO), for example – set standards and how organizations are affected by standards, newer studies have started to examine standardization as a way of organizing society (*Brunsson, 2000; Brunsson et al. 2012*). From this perspective, standards constitute examples of partial organization, as they possess some elements of organization while lacking others: Standardization is based on decided rules but other elements of organization are often missing.

Studying standardization as partial organization has opened various new avenues of inquiry: Several researchers have begun to examine the degree of partiality of standardization as organization. Although many examples of standardization have only a single element of organization (e.g. the decided rules) other examples are almost complete organizations, as they include membership, monitoring, and sanctioning. Relatedly, there are studies comparing the effects of different degrees and forms of partiality of organizing to more complete forms. For example, there are many studies that have compared regulation by standards to regulation by state law (e.g. *Mörth, 2004*). These studies have shown that, due to the lack of some elements of organization standardization often results in greater degrees of variation in the application of the rules (e.g. *Ahrne & Brunsson, 2011*), in a competition between different sets of rules (e.g. *Reinecke, Manning, & Von Hagen, 2012*) and in unclear accountability for the unintended consequences of compliance with the rules (*Seidl, 2007*).

In view of the different effects of the partiality of standardization as organization, researchers have explored the reasons for choosing this form of organization over more complete forms. It has been

shown that standards are often chosen in cases in which the rule setters have no access to all elements of organization (e.g. monitoring and sanctioning). A good example is the area of transnational regulation (*Ahrne & Brunsson, 2006*), in which the standard setters lack the authority to monitor and sanction compliance with their rules. In other cases, the partiality of standardization is also purposefully chosen, as it has particular advantages. Partial forms of organizing often are less costly, for example, allow for greater flexibility in the application of the rules (*Mörth, 2004*), are considered easier to change (*Seidl, 2007*), and are less easily challenged by unions and protest movements (*Ahrne & Brunsson, 2011*).

In spite of the missing organizational elements, standardization can still be powerful, particularly when the missing organizational elements are compensated for by contributions from “third parties” (*Brunsson & Jacobsson, 2000*). Compliance with the rules is often monitored and sanctioned by organizations other than the standard setter, for example, thereby contributing to the enforcement of the originally voluntary rules (*Kerwer, 2005*). In other cases, there is also a more diffuse set of such third parties as customers or industry partners, who indirectly monitor and sanction rule following by basing their decision to buy products or to cooperate with particular firms on compliance with those rules. Sometimes the lack of monitoring and sanctioning mechanisms is also compensated through high levels of legitimacy for a rule setter (*Tamm Hallström, 2004*).

5.2. Meta-organizations

Most standards are directed at organizations rather than individuals, thus illustrating how the diffuse and variable relations among organizations that March and Simon wrote about are, in fact, organized. Another more extreme case of the way organizations organize their relationships is when they establish meta-organizations: organizations with similar interests or agendas joining forces to establish a common organization, of which they themselves are the members. In other words, meta-organizations have organizations as their members. In meta-organizations the members make joint decisions but still retain their identity as autonomous organizations. Large industry associations and international governmental organizations are well-known examples of meta-organizations.

Meta-organizations substantially reduce the difference between organization and environment. Meta-organizations are established in order to transform part of the environment of each organization to an organized order of the same kind as its internal order. But meta-organizations also change the members' relationship to organizations that do not become members (*Ahrne & Brunsson, 2008*). For each member, the common internal environment created by the meta-organization offers a kind of protected area, by circumscribing the influence of other more hostile organizations outside the meta-organization. Instead of being exposed to rules and monitoring, for example, from other organizations the members create a protected zone in which they make their own rules and monitor each other.

Meta-organizations break with the classic assumption that the members of organizations are individuals. The lasting effect of this assumption is probably one reason why meta-organizations have spurred little interest in organization studies and why they, when they are actually analysed, have often been treated as if they were organizations with individual membership: Scholars have not taken seriously the meta-organizations' claim that their members are other organizations, but instead have defined the organization as the secretariat (with individual employees as the members) and treated the organizational members as a kind of environment (*Barnett & Finnemore, 2004; Marcussen, 2002*).

As formal organizations, meta-organizations have, in principle,

access to all organizational elements. But they tend to have difficulties in using them. In order to be recognized as independent actors, the members of meta-organizations must defend their autonomy and are typically reluctant to accept too much organization. For example, meta-organizations often prefer to issue standards instead of binding rules. There are also limitations to the amount of monitoring members are willing to accept. Using negative sanctions is even more difficult (Ahrne, Brunsson and Kerwer *forthcoming*). Meta-organizations have therefore been described as partial organizations (Berkowitz & Dumez, 2015).

The most salient organizational element in meta-organizations is membership. The strength of many meta-organizations comes from their ability to decide the criteria for membership and the conditions for access. Meta-organizations are based on some kind of similarity among the members and for both access and continued membership similarity is required, thus producing or reinforcing organized isomorphism (Ahrne & Brunsson, 2005).

There is a tension between each member's need for organizing itself and the meta-organization's need for some authority to organize its members in order to be considered relevant. This tension makes for change rather than stability. Some meta-organizations have become stronger organizers over time, while others remain weak or are even weakened. Some meta-organizations, such as the EU, have succeeded for a long time to organize their members to a relatively high degree and in multiple ways (Kerwer, 2013), while other meta-organizations, such as some industry associations, are examples of the opposite (Berkowitz & Dumez, 2015). At the extremes, meta-organizations may disappear, either because the members merge – thus turning the meta-organization into an individual-based organization with fewer problems of organizing – or the meta-organization may be dissolved by the members leaving it, thus reducing the degree of organization (Ahrne & Brunsson, 2008). An intriguing task for organizational research is to discover the processes and factors that influence the degree of organization in meta-organizations and how this plays out over time.

5.3. Organizing markets

It is common in social science to contrast organizations with markets (Coase, 1937; Williamson, 1975). Admittedly, organizations and markets represent different social forms – according to Marshall (1920), they represent the two fundamental forms of the economy. Yet, they are not irreconcilable opposites; in practice they are often combined. Markets often exist within formal organizations; internal markets in firms constitute one example, exchanges such as stock exchanges constitute another. In fact, even the currently dominating neoclassical concept of the market in economics was originally based on studies of markets within organizations – in particular, Léon Walras's studies of exchanges which he explicitly described as “perfectly organized markets” (Walras, 1954: 83). Exchanges have also been seen as the markets that come closest to the ideal of a perfectly competitive market (Samuelsson, 1969). Most markets, however, exist outside formal organizations. Yet, they are organized.

Contemporary economics has a tradition of emphasizing processes of mutual adaptation in markets (Lindblom, 1979) – to the extent that markets are sometimes described as “spontaneous” social orders. Some economists and economic sociologists have added institutions as another kind of ordering mechanism (Aspers, 2011; North, 1990). But organization is a further mechanism. Just like formal organizations, markets are ordered not only by mutual adjustment and institutions, but also by organization (Ahrne, Aspers, & Brunsson, 2015): Many markets are organized through decisions about membership: allowing only certain people or

organizations to obtain licences to act as sellers of taxi rides or pharmaceuticals, for example. Products sold in markets must comply with decided rules about product safety or rules regarding product labelling. Sellers and buyers are monitored by certification and accreditation activities or by rating institutes. Positive sanctions in the form of prizes and awards are common in many markets, and negative sanctions such as boycotts are sometimes imposed. There are many parties involved in organizing markets: national government authorities; international government organizations; various civil society organizations interested in saving the world or protecting the interests of disadvantaged groups; intermediaries such as brokers, agents, or auction houses; associations of sellers or buyers. Many of these are meta-organizations.

Markets offer a fertile ground for organizational research. Students of organization are well equipped to analyse and explain how and why markets are organized and why the kind and form of organization varies among markets. Value conflicts in markets seem to be one driver of market organization (Alexius & Tamm Hallström, 2014). Similar questions can be asked about markets as have traditionally been asked about formal organizations. What is the role of organization when markets are created? Who can become a market organizer and how do market organizers become influential? How do they achieve authority and legitimacy? What drives reorganization of markets?

5.4. Networks

Many social relationships outside organizations are described as networks (Nohria & Eccles, 1992). Similar to markets, networks are often regarded as the opposite of organization. Relationships in networks are assumed to be non-hierarchical and “informal”, and networks are seen as being maintained through mechanisms such as reciprocity, trust, and social capital (Borgatti & Foster, 2003, Podolny & Page, 1998). Some researchers even see networks as a more reliable and innovative form of cooperation and coordination than formal organizations are (Kanter & Eccles, 1992).

Instead of treating organizations and networks as opposites, our conceptualization of organization allows networks to be seen as social orders with varying degrees of organization (Ahrne & Brunsson, 2011). For example, over the last decades new forms of networks have emerged such as hacker collectives (Dobusch & Schoeneborn, 2015), online communities (O'Mahony & Ferraro, 2007), or terrorist networks (Schoeneborn & Scherer, 2012) which are partially organized. A social relationship that emerged as a pure network of individuals without any organization often gradually becomes organized with one or more organizational elements, thereby making the relationships more visible both for those involved and from the outside. Some people may develop a list of network members, so everybody knows who is involved in the network, or they can choose a convenor that has the authority to decide about future meetings and can set the agenda. In order to accomplish common action or make common statements, even more organization may be needed. More generally, studies have shown that organization can contribute to the functioning of networks. Starkey, Barnatt, and Tempest (2000), for example, in their study of the UK Television Industry found that networks that are focused upon intermittent projects develop “latent organizations” that help sustain the network.

Social movements are often blends of emergent and decided orders (den Hond, de Bakker, & Smith, 2015). If a movement must choose a future strategy, it must decide how to make this decision and who shall be allowed to take part in the decision-making (Kuechler & Dalton, 1994: 289). It is not uncommon that social movements that start as unorganized networks over time turn into formal social movement organizations (Papakostas, 2012).

If we observe relationships that are described as networks in terms of organizational elements, we will probably find many variations of partial organization. In this way, it is possible to dissolve the unproductive dichotomy between organization and network and instead to investigate different uses of organizational elements. There are many intriguing questions. What consequences result from different combinations of organizational elements? Why are only some elements used and not all? What circumstances result in an increase versus a decrease in the degree of organization?

5.5. Families

Extending the concept of organization makes it possible to apply organizational concepts even to such phenomena as families. Families are a very different type of social relationship than social movements or networks of friends, for instance, in that their membership is well defined. The family is generally regarded as a central social institution (Laslett, 1973). Much of family life is ordered by institutionalized patterns of behaviour. But families are also partially organized – and to an increasing extent (Ahrne, 2015). Organization begins with the decision to establish a family. Even though the nuclear family revolves around the idea of love defined by the binary code of being in love (or not) (Luhmann, 1986), the establishment of the primary relationship is typically based on a common decision to get married or to live together.

In traditional families, relationships were generally arranged in accordance with institutional norms, but in order to break with such norms, organization is required. Many traditional institutions related to family life are currently being questioned, and there are many competing ideas concerning how a family should function. Family members must make a number of decisions regarding: how to arrange for their marriage, what they can expect from each other, whether they are going to have children.

Modern families face the dilemma of navigating in a complex institutional environment requiring many choices and decisions (Beck & Beck-Gernsheim, 1995). Their decision-making structure, however, is imperfect and their organizational form is rudimentary. Family members often lack a clear notion of how to make common decisions. And as long as the decision-makers are exactly two persons, voting can be used neither as a threat nor as a practice. Modern families are probably more like “ad hoc” than “hierarchies” and, as Mintzberg (1993: 277) argued, “people talk a lot in these structures”. But even if family members talk a great deal, it is not certain that they agree on what decisions to make or on what these decisions may imply. When decision-making fails, it is likely that the relationship will relapse into old institutionalized patterns, such as traditional gender roles. Taken together, modern families can be conceptualized as partially organized with membership and perhaps some rules, but without a clear hierarchy.

Treating families as instances of partial organization turns them into potential objects for organization research. An interesting topic for organization scholars could be to analyse the difficulties of decision-making in families and how these difficulties are resolved. As in meta-organizations, the tension between the interests of the individual member and the family as a whole seems to be currently under debate, with widely differing solutions in modern compared to traditional contexts. Against this backdrop, a systematic comparison with meta-organizations seems to be a promising project for understanding both organization types. Another theme for further research is the varying extent to which families use monitoring and sanctions, and the ways in which these elements of organization are applied.

5.6. The expansion and re-location of organization

In a globalizing social world, the typical answer to problems of

cultural integration is more organization. Organization is a critical part of a global cultural rationalization and, in the words of Bromley and Meyer (2015: 4), the “modern impulse” is to encounter any problematic situation with more organizational structures. Standardization is an overwhelming phenomenon in the modern world that covers not only products, but also organizational processes and management systems; it serves not only the purpose of efficient coordination, but also such political agendas as environmental protection or “fair trade”. The International Organization for Standardization (ISO), just one of many standard organizations, has produced more than 20,500 standards since its foundation in 1947 (www.iso.org). Although meta-organizations are not as common as individual-based organizations, they exist in large numbers, and on the international scene there has been a great expansion during the past sixty years. Now more than 10,000 international meta-organizations play key roles in almost every area of social life. There are meta-organizations for almost anything – ranging from the protection of the producers of various goods and services to the provision of different state functions such as the protection of the environment or indigenous people, or even for increasing the popularity of cremation. Contemporary global markets are not only arenas for exchange, but also for what could be called a form of global democracy, with civil society organizations organizing them in the right way: setting rules for decent products and production processes, establishing systems for monitoring in the form of labels and for arranging boycotts.

Contemporary claims for transparency, accountability, and democracy stimulate an increasing organization of existing network orders. Increasing demands for information about who is involved in a particular network triggers the construction of member lists, for example; demands for information about who has the power in a particular network triggers the establishment of a decided hierarchy. Even families have to organize more than they did in the past.

For established organizations such as firms or states, however, the extensive organization outside them gives less room and need for internal organization. Although they still present themselves as strong and autonomous actors that organize themselves, more and more of what they do is decided elsewhere. If organizational scholars continue to study exclusively traditional, formal organizations, such as firms, their research risks becoming increasingly less relevant for understanding society at large and societal change.

6. General implications and a research agenda

In this paper, we have elaborated upon recent developments in European organization research, which place organization back at the centre of organization scholarship. The suggested reorientation in organization studies is based on two fundamental movements. The first movement is a return to the classics of organization studies and its appreciation of organization as a distinctive type of social order based on decisions (as they are defined in Section 3). The second movement takes the concept of organization beyond its classic meaning and transfers it to phenomena beyond the formal organization. This is made possible in two ways: by allowing for different degrees of “organizationality” (Dobusch & Schoeneborn, 2015), ranging from partial to complete organization; and by relaxing some of the traditional assumptions about the characteristics of organization – the assumption that only individuals, not organizations, are organized, and the assumption that the organizational environment is not organized.

These suggested movements are largely a reaction to the dominance of institutionalism and its variants in organization studies, which have shifted attention away from organization as a

central concern for organization scholars. The perspective presented here shares with institutionalism the notion that the difference between organization and environment was exaggerated by classical theory. But although institutionalists argued essentially that organizations are similar to their environments because they share the same institutions, we have argued that environments are similar to organizations because both are organized. Institutional theory implies that there is less organization than the classic theorists assumed, whereas we have argued that there is more. Institutionalists have tended to treat all social phenomena as resulting from institutional processes and have largely subordinated organizations to institutions (Greenwood, Oliver, Suddaby, & Sahlin-Andersson, 2008). In contrast, the perspective presented here highlights the distinctive contributions of organization to the ordering of the world. Rather than subordinating organization to institution, organization and institution are treated as alternative forms of social ordering. This allows a comparison of the effects of the two types of social orderings. In contrast to institutions, for example, organization highlights human responsibility and draws attention to the persons with the possibility and right to make decisions. Organization tends to produce more fragile orders than institutions do, as the decided nature of the order highlights its contingency, and is therefore more likely to be contested. Whereas the concept of institution implies an existing order, decisions are attempts with uncertain consequences. Organization highlights the gap between talk and action and much organization fails to be realized, but it is just as important for understanding organization to explain why some attempts to organize fail as to explain why other attempts are successful.

Distinguishing between organization and institution as types of social ordering also makes it possible to examine the ways in which the two relate to each other. This presupposes, however, a more precise definition of institution, one that allows it to be clearly differentiated from organization. Apart from the fact that the term “institution” is not used consistently (Greenwood et al., 2008), there is the issue that many conceptualizations of institution include aspects of organization (Ahrne & Brunsson, 2011). Many scholars (e.g. North, 1990; Scott, 1995) consider rules such as state laws that were explicitly decided upon to be institutions, and some scholars (e.g. Christensen, Lægread, Roness, & Røvik, 2007) even call the organizations that produce rules “institutions”. Against this background, it seems more fruitful to restrict the term “institution” to those social orders that are based on taken for granted beliefs and norms and to relegate all forms of decided orders to the term “organization”. Doing that, we can see that organization and institution are often related in intricate ways. For example, institutions provide order to organizations and thereby reduce the amount of organization necessary (e.g. when there are established norms, fewer decided rules are required). Yet, an increase in the number of different institutions may also lead to an increase in the amount of organization required, as it may become necessary to choose between institutions (Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011). We can also observe that organizations and institutions can transform into each other. On the one hand, decided orders can turn into institutions. For example, standards may become taken for granted and the fact that they have been the result of decisions may be forgotten (Brunsson & Jacobsson, 2000). On the other hand, institutions can turn into organization. For example, people often introduce standards when they want to change an institution.

Reconceptualising organization in the way suggested here opens up a range of new avenues for research in organization studies. Now we turn to highlight potential lines of inquiry that seem particularly promising.

- 1) Against the background of conceptualizing organization as one mode of social order amongst others, the most obvious line of inquiry that comes to mind is to examine the consequences of adopting organizational elements in creating social order, compared to other modes. We have already noted, for example, that decided orders are often more fragile than institutional orders are. Decided orders have the advantage, however, in that they can handle higher levels of complexity (Luhmann, 2000) and consequently are often introduced when the level of complexity increases (Knudsen, 2005). In addition, formal organizations are the only social order that can communicate in their own right (Luhmann, 2012/2013).
- 2) Another promising line of inquiry concerns the interaction between different types of social order. As we have noted, we often find a combination of different elements of social orderings. Decided rules are often combined with institutional norms and beliefs, for example, or networks are combined with memberships (Ahrne & Brunsson, 2011).
- 3) Focussing particularly on partial organization, we could explore the consequences of missing organizational elements. On the one hand, we can examine how partiality plays out in the social order. Partial organization is often more unstable, for example, due to the lack of particular organizational elements (Ahrne & Brunsson, 2011; Dobusch & Schoeneborn, 2015). On the other hand, we could examine whether and to what extent partiality is compensated through other forms of social order (e.g. Seidl, 2007).
- 4) Related to 3), we could examine the factors that lead to an increase or decrease in the amount of organization. We could try to find general factors that hold across various domains: The degree of organization could be related to the extent to which other forms of order are present, for instance. Apart from that, we can examine this question with regards to particular social domains.
- 5) More generally, we could try to identify and examine different forms and manifestations of partial organization. We expect to find a range of typical constellations of organizational elements. Some organizational elements tend to be combined with particular other elements, whereas other elements may often be found on their own.
- 6) Finally, this perspective advances possibilities for historical studies on the development and diffusion of various forms of complete and partial organization. Luhmann (2012/2013), for example, showed that formal, complete organizations as forms of social order emerged relatively late in societal evolution, as they presupposed a functionally differentiated society. Previously, there were only partial organizations in which some of the elements of organization were missing.

Overall, the suggested new perspective on organization puts organization studies at the heart of the social sciences. Given that almost all domains of our social world involve some degree of organization, organization studies, with its expertise in examining organizational orders, is particularly well placed to offer fundamental insights into the workings of our world. Positioned in this way, there is an opportunity for a more fruitful and reciprocal exchange of theories and concepts between organization studies and other disciplines within the social sciences. While organization studies can continue importing theories and concepts to examine non-organizational elements within organizations, it may also become a fruitful source of theories and concepts for scholars in other disciplines who realize that organization is part of the social systems and processes they want to understand.

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Göran Ahrne (PhD, University of Uppsala) is a Professor of Sociology at Stockholm University and a member of the Stockholm Centre for Organizational Research (Score). Current research focusses on the particularities of meta-organizations, the differences between organized and non-organized social relations, and on the organization of markets.

Nils Brunsson (PhD, University of Gothenburg) is a Professor of Management at Uppsala University and leader of a research programme on “Organizing Markets” at the Stockholm Centre for Organizational Research (Score). Apart from markets his current research interests include competition, partial organization and meta-organizations.

David Seidl (PhD, Cambridge University) is a Professor of Management and Organization at the Department of Business Administration at the University of Zurich and is a Research Associate at the Centre for Business Research (CBR) at Cambridge University. Current research focusses on the dynamics of standardization, the practices of strategy, the communicative constitution of organization and the practical relevance of management studies.