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2. Decisional organization theory: towards an integrated framework of organization¹

Michael Grothe-Hammer, Héloïse Berkowitz and Olivier Berthod

INTRODUCTION

Decisions are the cornerstone of many perspectives and theories of organization. Classical contributions by Barnard (1938), or March and Simon (1958) and their subsequent work, contributed greatly to develop a view of organizations as systems of bounded rationality, in which managers try to satisfice situations by way of decisions. Eventually, organizational decision-making became an object of study in its own right. The effort to understand what undermines the feasibility of rational decision-making has been a persistent research topic (Brunsson and Brunsson, 2017; Cabantous and Gond, 2011). On the one hand, political models (e.g., Allison, 1971; Etzioni, 1967; Lindblom, 1965) shed light on the role of participation and opposition in organizational decision-making. On the other hand, critical models question whether decision-makers make any attempt at rationality at all (Cohen et al., 1972) and highlight the inherent irrationality of organizations (Brunsson, 1985). As new theories of organization emerged, however, organizational decision-making research became increasingly preoccupied with itself, to the point where it became a topic stuck in “its own lethargy” (Langley et al., 1995, p. 261).

Nevertheless, decisions are climbing back to the front seat. In the past decades, various new forms of organization have emerged (Brès et al., 2018; De Bakker et al., 2013; Schreyögg and Sydow, 2010; Taylor, 2000). Organizations are becoming more fluid, latent, modular, temporary or partial, while the classic bureaucratic form of organization is in decline (Ahrne et al., 2016a and 2016b; Brès et al., 2018; Schreyögg and Sydow, 2010). Moreover, research is increasingly recognizing the fact that organizations organize their interactions and relations in network, market, meta-, and macro-organizations (Ahrne and Brunsson, 2008; Brunsson et al., 2018; Raab and Kenis, 2009). Well-established concepts of bureaucracy, goal orientation, formality, hierarchies, and membership have been identified as ill-suited to grasp this changing empirical reality, confronting organizational studies with severe theoretical challenges (Barley, 2016; Brès et al., 2018; Davis, 2015; Grothe-Hammer and Kohl, 2020; King, 2017). As a result, many scholars see organization theory in an existential crisis because it increasingly loses the capacity to understand its central research object, i.e., organization.

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To counter this development, some have started to search for new ways of theorizing the phenomenon of organization. One outcome of this is a revival of the idea that decisions are the central element of organization.

Against this backdrop, we shall do two things in this chapter. First, we assemble an overview of contemporary theories and perspectives on organizational research that share one commonality: a renewed interest in decisions as a central unit of analysis (Ahrne et al., 2016b; Apelt et al., 2017). This “new decisionism” (pun intended) encompasses perspectives as diverse as the *sociological systems theory* devised by Luhmann (2018), the *partial organization* approach introduced by Ahrne and Brunsson (2011), scholarship on *meta-organizations* (Ahrne et al., 2016a), and the concept of *degrees of organizationality* (Dobusch and Schoeneborn, 2015). Second, we use this overview to outline the basic pillars of a unified theory. Ahrne et al. (2016b, p. 99) suggested that a combined perspective rooted in decisions could put “organization studies at the heart of the social sciences” and “offer fundamental insights into the workings of our world.” In this chapter, we submit to this call and want to show how collapsing all four perspectives into one overall theory offers the tools we need to explain what organization looks like in the twenty-first century (Brummans et al., 2014; Schoeneborn et al., 2019; Wilhoit and Kisselburgh, 2015). Specifically, we shall argue that the aforementioned perspectives can be treated as facets of one overarching theory that captures traditional as well as more elusive organizational forms. Such a perspective holds the potential to tackle organization theory’s existential crises by providing a new understanding of organization and its implications for modern society. We shall call this perspective the *decisional organization theory*, or *decisional OT* for short.²

PART 1: DEFINING THE NOTION OF DECISION

Four Perspectives Under Scrutiny

Four perspectives are addressed in this chapter: *sociological systems theory*, the *meta-organization* approach, the *partial organization* approach, and the concept of *degrees of organizationality*. *Sociological systems theory* as devised by Niklas Luhmann (2018) builds on the classic works by March and Simon (1993 [1958]) in adopting the view that decisions are central to defining organizations and that organizational structures can be understood as premises for these very decisions. Sociological systems theory then defines organizations as operatively closed processual entities that distinguish themselves from their environments by consisting of recursively coupled decision processes that constantly reproduce this distinction. Building on this view, scholars have, for instance, offered insights into management consulting (Czarniawska, 2017; Mohe and Seidl, 2011), strategic management (Rasche and Seidl, 2017), project-based and temporary organizing (Grothe-Hammer and Schoeneborn, 2019), organizational identity (Seidl, 2005a), agency construction (Blaschke, 2015), and organizational image construction (Kühl, 2021).

Drawing partly on Luhmann as well as on March and Simon, Ahrne and Brunsson (2005, 2008) introduced the concept of meta-organizations to capture organizations that

² We understand a theory as a bundle of statements connecting different concepts, which in turn define specific terms that denote certain phenomena (Turner, 2013, pp. 824–865).

have organizations as their members. Examples of such meta-organizations are sports federations, such as FIFA, international organizations like the United Nations Global Compact, and national trade associations such as the American Petroleum Institute. In defining meta-organizations, the authors also build on the assumption that decisions are the constitutive element of organization (Ahrne et al., 2016a). Subscribing to this view, scholars have shed light on meta-organizations such as multi-stakeholder groups in the oil and gas industry (Berkowitz et al., 2017), the crowd-funding sector (Berkowitz and Souchaud, 2019b), or the World Anti-Doping Agency (Malcourant et al., 2015).

Moreover, Ahrne and Brunsson (2011) introduced the notion of *partial organization*, arguing that organization can be defined as a certain kind of social order, i.e., a social order that is the result of decisions. This type of social order is understood as fundamentally different from other kinds of social order, e.g., institutions. Applying this notion, scholars have inquired into a broad variety of social phenomena. Scholars, for instance, have studied romantic relationships (Ahrne, 2015), membership-less collectives (Grothe-Hammer, 2019a), social movements (Den Hond et al., 2015), and markets (Ahrne et al., 2015) as instances of organization.

Finally, some researchers have started to integrate a decision-based view of organization with the “Communication as Constitutive of Organization” (CCO) perspective (Brummann et al., 2014; Schoeneborn et al., 2014). In this regard, Dobusch and Schoeneborn (2015) developed the concept of *degrees of organizationality*, thereby partly drawing on sociological systems theory and partial organization theory. They introduced the idea that collectives can be seen as more or less organizational as long as they feature at least instances of interconnected decision-making.

All four perspectives build on and go beyond March and Simon’s (1993 [1958]) seminal work in three crucial aspects. First and foremost, in contrast to March and Simon (1993) who looked at individual decision behavior, newer works build on a communication-based understanding of the notion of decision (Ahrne et al., 2016b; Ahrne and Brunsson, 2019; Apelt et al., 2017; Luhmann, 2018; Schoeneborn et al., 2014). Second, while the classic works by March and Simon offered a hybrid perspective between Organizational Behavior (OB) and Organization Theory (OT), newer works are merely concerned with developing OT. Third, while March and Simon (1993) declared that decisions were the “central construct” of their theory (p. 3), they in fact did not treat decisions as the constitutive element of organization (pp. 2, 23). In contrast, the newer works explicitly build on the assumption that decisions are the constitutive elements of organization (Ahrne et al., 2016b; Ahrne and Brunsson, 2011; Apelt et al., 2017; Dobusch and Schoeneborn, 2015; Luhmann, 2018, p. 2; Schoeneborn et al., 2014).

Nevertheless, these four debates remain largely fragmented so far. For instance, while the notion of partial organization has offered new understandings of the organizationality of social phenomena, like intimate relationships (Ahrne, 2015) or markets (Ahrne et al., 2015), it lacks a connection to a theory of organizations as entities (Apelt et al., 2017; Ahrne et al., 2017). Modern systems theory (see Luhmann, 2018) on the other hand offers an elaborated theory of organizations as processual entities, one that is embedded in a complex grand theory with a multi-level perspective. Nevertheless, this theory tends to remain silent when it comes to understanding new forms of organization that, for instance, do not rely on membership (Grothe-Hammer, 2020).

Despite this fragmentation, the four perspectives share the common ground that decision-making is not just something that happens in the context of organization. Instead, organization is seen as consisting of decisions. We see this radical “organization as decision” view as the conceptual core of all four aforementioned perspectives. Building on this insight, we will in the following pages derive an integrated theory perspective in which the four research streams can be treated as facets of an integral whole.

What is a Decision?

To lay the ground for an integrated decisional organization theory, we need to clarify what decisions are. Authors often define a decision as “making a choice between alternative courses of action or positions” (Cunliffe and Luhman, 2013, p. 45; similarly Bruch and Feinberg, 2017). This line of work puts the emphasis on psychology and intention, posing challenges for theorizing organization on a sociological level (Andersen, 2003; Luhmann, 2003; Seidl, 2005b). For on a sociological level, a focus on cognitive processes does not provide a sufficient account of how decisions happen. Individuals often make decisions without even noticing it, a decision of omission, if you will, which others can then consider a decision all the same. Hence, decisions can also be understood as social constructions (Abend, 2018); an emergent, social phenomenon that occurs only when several persons get in relation with each other (Luhmann, 2018).

Classically, Herbert Simon (1997 [1945]) treated decision-making as a social event. Specifically, he described a decision as the instance when an individual selects one particular course of action out of a multitude of possible actions. However, as he made clear, a decision does not necessarily imply a “conscious or deliberate process” (p. 3) and can also mean a simple “reflex action” (p. 3). In their seminal monograph *Organizations*, March and Simon (1958, 1993) built on this understanding of decision-making. According to them, organizations emerge because of the bounded rationality of individuals in decision-making. In their view, organizations and their structures allow for reducing uncertainty in decision-making and can incentivize individuals to make certain decisions instead of others.

March and Simon’s perspective allows for analyzing the process of how individuals and groups reach certain decisions and what elements can influence those decisions. They solved the problem that came with the psychological implication of intentionality (Andersen, 2003) and hence bridged the disciplines of OB and OT by combining an individual with an organizational view. March and Simon inspired a whole research stream of “organizational decision-making” which covers a broad variety of works around individual and group decision-making in organizations (Shapira, 1997).

However, in March and Simon’s understanding of decisions as mere selections, virtually everything that someone does becomes a decision. While we do not want to deny the analytical worth of this understanding of decision-making (and particularly for the process of reaching certain decisions), this notion is rather arbitrary and provides no insights into certain social peculiarities and consequences of the phenomenon of decision itself.

Against this backdrop, we assert that the newer works that can be considered decisional OT employ a significantly different understanding of the notion of decision. Instead of treating decisions as a psychological event or as a mere selection out of theoretically possible options, decisional OT defines decisions as a *subtype of communication*. As, e.g., Ahrne and Brunsson formulate:

Organizational decisions are communications about the way people should act or the distinctions or classifications they should make. (Ahrne and Brunsson, 2019, p. 7; see also Ahrne et al., 2016b; Apelt et al., 2017; Luhmann, 2018; Schoeneborn et al., 2014)

Defining decisions as a certain type of communication, moreover, emphasizes that decisions have specific characteristics that differ from other social events:

What is particular about decisions is that they are ‘compact communications’, which communicate their own contingency (‘contingency’ here in the sense of ‘also possible otherwise’). In contrast to an ordinary communication, which only communicates a specific content that has been selected (e.g., ‘I love you’), a decision communication communicates also – explicitly or implicitly – that there are alternatives that could have been selected instead (e.g., ‘I am going to employ candidate A and not candidate B’). (Seidl, 2005b, p. 39)

As a result, decisions are inherently paradoxical (Luhmann, 2005; Rasche and Seidl, 2017). Using Chia’s words, decisions are “acts of punctuating the flow of human experiences in order to facilitate sense-making and to alleviate our Cartesian anxiety” (1994, p. 781). A decision tries to select one certain course of action – one particular meaning – while always communicating non-selected options and their (ir-)relevance simultaneously. In other words, decisions always fix and open up meaning at the same time (Grothe-Hammer and Schoeneborn, 2019) – thus they “dramatize uncertainty” (Ahrne and Brunsson, 2011, p. 90). Consequently, decisions usually provoke contestation, because options are always visible. Ahrne and Brunsson described decisions accordingly as “attempts” (Ahrne and Brunsson, 2008, p. 50) because they try to select a certain course of action, but often fail in doing so.

What is Organization and Why is it Relevant?

Despite being inherently paradoxical, decisions offer *specificity*, *potential immediateness*, and *accountability* that no other kind of social operation can provide (Ahrne and Brunsson, 2019). Decisions offer the possibility of extremely specific instructions, especially once they start building on each other. Moreover, decisions can be made and changed immediately. Finally, decisions produce the need to attribute responsibilities, so that someone – an individual or organization – can be held accountable for them.

Our modern society crucially relies on decisions to function, which is significantly different from pre-modern societies (Apelt et al., 2017). Pre-modern societies could rely primarily on institutionalized social order in the form of traditions and authorities that emerged organically. Of course, decisions existed and were relevant, but unlike today, they did not provide the crucial structural grounds for society to function. Political leaders usually were not chosen but imposed by birth order and/or by the “will of God.” Occupation and status usually were not chosen but assigned. Law was not positivized but figured as the law of nature (Luhmann, 2012, 2013). And so on. This began to change in the seventeenth century. Present-day society relies on myriad decisions that both produce and cope with modernity’s enormous complexities (Ahrne and Brunsson, 2011; Apelt et al., 2017; Luhmann, 2013). Without decisions, modern air travel, the internet, and energy production would not be possible. This does not mean that decisional OT scholars should neglect the importance of institutionalized social order in modern society. In this respect, sociologists have repeatedly emphasized the relevance of institutions for modern society and organizations (Greenwood et al., 2017).

However, in contrast to such institutional perspectives, decisional OT scholars point out the crucial importance of the *interplay* between institutionalized social order on the one hand, and decision processes and decided social order on the other (Ahrne, 2015; Ahrne et al., 2016b; Apelt et al., 2017; Laamanen et al., 2020). While the emphasis is put on the notion of decision to highlight the decisionality of organization, decisional OT scholars are also very aware that many phenomena cannot be reduced to decisions and that decisions can be made only in the context of myriad non-decisional processes and orders – such as spontaneous order (Goffman, 1966), institutions (Ahrne, 2015), or culture (Luhmann, 2018). Nevertheless, only decisions can – in combination with institutionalized and elementary forms of social order – provide the complex structures needed in any area of modern society (Apelt et al., 2017; Luhmann, 2018).

However, while decisions are so important for modern society to function, they remain inherently paradoxical, as we showed earlier. Because of their paradoxicality, decisions tend to provoke contestation, i.e., if one does not accept the certain chosen alternative (Seidl, 2005b). Hence, decisions often fail to gain approval and remain mere attempts, without becoming premises for ensuing actions. As a consequence, society depends on mechanisms that de-paradoxify the inherent paradox of decisions to a certain degree. In other words, society relies on certain ways to fix the selection of specific possibilities while remaining open to change these very fixations. In this respect, we discuss here two main mechanisms of de-paradoxification of decision-making, which can be understood as *two special forms of social order*.

First, *organizations* have emerged as a certain type of social order in the form of processual entities that feature decisions as their main mode of operation, e.g., enterprises, schools, public agencies, and voluntary associations. Organizations are processual entities whose constitutive elements take the form of decisions. Organizations are a new phenomenon that did not exist in pre-modern societies (Apelt et al., 2017; Luhmann, 2020). They are, on the one hand, a product of modern society and were, on the other hand, a precondition for the development of this very society (Luhmann, 2012, 2013; Schoeneborn et al., 2014). Both organizations and modern society have co-constituted each other.

Second, modern society has created differing manifestations of another kind of social order that is accepted as the premise for further decisions and actions, i.e., certain structural elements that were created by decision and remain decidable in the process (Ahrne and Brunsson, 2011). Following Ahrne et al. (2007) we call these *organizational elements*. Such organizational elements can be found in all domains of modern society, for instance, in the form of hierarchies, rules, memberships, monitoring instruments, and sanctioning mechanisms (Ahrne et al., 2016b). In contrast to organizations as decision-based entities, this other kind of organization can be understood as a certain state of being organized, or as a certain kind of social structure – decided instead of institutionalized – that can be found within and outside organizational entities.

Thus, we use here the term “organization” for an important phenomenon in modern society, i.e., that of de-paradoxifying decisions by creating decision-based social orders. We use the term social order in the broad sense of fixing one certain meaning beyond a single event (Morgner, 2014). Successfully creating decision-based social orders means achieving specific, elastic social structures or processual entities that de-paradoxify decisions by increasing the likelihood that decisions will be accepted as premises for further actions and decisions. Below, we outline the characteristics of these two facets of organization. The distinction we make here is a crucial step because it makes explicit what many other organization theorists had

tried to capture when using the gerundive “organizing” instead of the noun or the verb only. Both facets can be, and empirically are, layered and combined in multiple ways, which allow for further increasing possible complexities. In this respect, decisional OT offers a perspective for analyzing a broad variety of phenomena as combinations of layers and/or facets of organization.

PART 2: CONNECTING ORGANIZATION AND DECISION

Organizations as Decision-Based Entities

Decisional OT offers a fresh view as to how organizations emerge and continue to exist, i.e., by decisions. By organizations we mean a special kind of social system, i.e., a system that consists mainly of interconnected processes of decision-making (Ahrne et al., 2016b; Luhmann, 2018). As such, this kind of system forms a processual entity that is distinctive from its environment. Hence, we refer to such a system as “*an* organization” – or “organizations” in plural – in contrast to the above outlined umbrella term “organization” without an article and without a plural. *An* organization can be, e.g., an enterprise, a school, public agency, or a voluntary association. The special feature of such organizations is that they rely on decisions as their constitutive elements. This peculiarity has certain effects on how these social systems work:

Organizational processes ... 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. (Ahrne et al., 2016b, p. 95)

By this monopolization of decisions as the main mode of operation, every event in an organization can be understood as a decision. As a result, decisions trigger ever new decisions. That is not to say that there would be no other elements or events in organizations. Obviously not everything going on within an organization qualifies as a decision. The crucial point is that organizations can treat every event that happens within them as a decision:

in organizations ... practically all behavior – even machine operation, dealing with enquiries, or coming late to work – can, in the event of problematization, be thematized as decisions. (Luhmann, 2018, p. 45)

In this respect, decisional OT significantly differs from the established distinction between decision and action in the organizational decision-making literature. In these works, the underlying idea is that decisions are first made and then implemented (or not) into action (Cyert and March, 1963). One crucial insight from this line of theorizing was that many decisions remain merely talk and do not lead to any further actions (Brunsson, 1982; March, 1994, pp. 192–198). However, decisional OT reaches another conclusion. Within organizations, the fact that a decision does not end up in a corresponding action can be considered another decision. This decision can in turn lead to yet another decision if, for instance, the organization decides that a certain rule is useless and therefore needs to be changed or if monitoring instruments and possible sanctions are adjusted.

Let us consider Luhmann's example of coming late to work. Usually, this case would be interpreted as an instance of some initial decision (about when work is supposed to start) that did not lead to a corresponding action (the employee did not show up at the predetermined start of work). From the perspective of decisional OT, we would argue that, in most cases, the organization would treat the instance of coming late *de facto* as a decision (inferring that the employee could have come on time) and would react accordingly with another decision, e.g., reprimanding or dismissing the employee.

The implications of this conceptual insight are wide-ranging. First, it implies that the non-following of a certain decision is not a failure of prior organizing as such – as implied by the conventional view – but an ordinary occurrence that keeps a wide variety of decision processes (and therefore the organization) going. Within an organization, decisions produce decisions. This process leads to a self-reproducing stream of decisions that constitutes and reproduces the very organization (Grothe-Hammer and Schoeneborn, 2019). Second, it also implies that within an organization even the rejection of a decision constitutes a decision. In contrast to situations outside organizations, inside an organization, decisions can usually only be contested, rejected, refused or altered by another decision. Third, the decisional OT perspective implies that accepting a prior decision as a premise for further action (e.g., accepting the decision concerning working hours) can also be considered a new decision, i.e., the decision to follow the earlier decision (one could have decided not to follow the rule). This latter aspect leads us to the second form of organization that we will discuss in the following section.

Organization as Decided Structures: Organizational Elements

Organization, without the article, is more than organizations; more than an ongoing stream of ever-changing decisions. Often, decisions are being made, which turn into premises for further decisions, thereby producing stable social structures that are always changeable but remain accepted for some time. In particular, it is possible to decide on member recruitment and placement (*membership*), vertical and horizontal *hierarchies*, behavioral if-then programs and goals (*rules*), *monitoring* instruments, and positive and negative *sanctioning mechanisms* (derived from Ahrne and Brunsson, 2011; Ahrne et al., 2016b; Apelt et al., 2017; Luhmann, 2018).

Such organizational elements can be found within, but also outside organizations. From this perspective, organization theory is not only a theory of organizations, but also an organization theory of society.

Within an organization, these kinds of decided order can be understood as organizational structures (Apelt et al., 2017) – sometimes referred to as the “organization of an organization.” Organizations are typically pictured as employing all five elements. The conventional organizational form is traditionally said to feature memberships, i.e., decisions on who belongs to the organization or not. Based on membership, hierarchy is usually instituted among the members of the organization, i.e., members gain rights to issue certain decisions (Child, 2005) over others who, on the contrary, are compelled to obey said authority (Weber, 1921; Williamson, 1975). Membership and hierarchy normally lead to the definition of rules (March et al., 2000; Weber, 1921) that members have to follow. These rules set a shared understanding among members about the objectives of the organization, the means to achieve these objectives, and appropriate behaviors (Nielsen, 2018). The existence of rules moreover

typically implies monitoring systems, like accounting systems, to assess members' compliance but also members' performance with regard to those rules (Nielsen, 2018). Sanctions are then implemented: they can be either positive, to reward a good behavior, or negative, to sanction a poor performance (Ahrne and Brunsson, 2011).

However, as Ahrne and Brunsson (2019) have pointed out, nowadays many organizations deviate from this conventional understanding and renounce one or several of the elements. Some organizations, for example, do not employ memberships and instead use substitutes to manage organizational contributions (Grothe-Hammer, 2019a). Others do not make use of sanctions or avoid deciding on hierarchies (Ahrne et al., 2016b). Hence, many organizations can be considered to be partially organized, since they do not feature the “complete” spectrum of possible organizational elements.

These organizational elements as a form of decided social order can be distinguished from so-called emergent or elementary forms of social order (Ahrne and Brunsson, 2011; cf. Luhmann, 2020). Elementary social order can be characterized by the fact that it does not communicate other possibilities that could have been selected instead. In this sense, elementary order is not decided but just happens to be. Examples for elementary social order are pure networks – i.e., “non-decided structures of relationships linking social actors” (Ahrne and Brunsson, 2019, p. 21) – and institutions – i.e., social structures that are merely taken for granted and develop slowly (Czarniawska, 2009; Jepperson, 1991). Elementary social order can be found in any realm of society and structures many aspects of our lives. Institutions help us coordinate social interactions without explicitly deciding everything all the time. For instance, we usually do not treat the fact that we sit on chairs in front of desks as an instance of decision. And although some replace the chair with a sitting ball, they nevertheless do not question the general concept of sitting on something in front of a table unless back pain prompts a reflection about their options. Such elementary social order is also prevalent and important in organizations. Organizations rely on a broad variety of institutions that they do not decide on but merely happen to make use of – take the chair in front of a desk as an example once again. There is much non-decided order within organizations that nevertheless structures the ongoing process of decision-making and unfolds its significance in the interplay with the decided order (Kühl, 2021; Laamanen et al., 2020; Luhmann, 2018).

In contrast to institutionalized order, organizational elements are a precarious phenomenon. On the one hand, they outlast a single decision event, and on the other hand remain decidable in further decision events. In other words, organizational elements achieve a fragile state of holding the selection of a certain way to act in suspense, without becoming a mere attempt, while at the same time remaining changeable in the future. Organizational elements have to be produced and maintained in ongoing social processes (Grothe-Hammer and Schoeneborn, 2019). An unanswered but crucial question remains how organizational elements outside organizations achieve and remain in this fragile state (Ahrne and Brunsson, 2019). Indeed, they often do not. Organizational elements often morph into institutionalized order. That which was once a decision often becomes taken for granted – accepted by others as social order that is what it is ‘because it is so’ and reproduced through mimicry – thereby limiting possibilities of social change and complexity. Against the backdrop of this discussion, we propose to think of *an* organization and organization not as clean classifications, but rather two entangled continua.

PART 3: ORGANIZATION AS CONTINUA: DEGREES OF ORGANIZATIONALITY

In this section, we conceptualize the two identified forms of organization as continua. We notably distinguish between “entitative organizational” as being constituted of a set of characteristics (interconnected decision-making, actorhood, and identity) that define a collective as an entity in the sense of *an* organization, and “structural organizational,” to describe the varying degrees of combination of organizational elements (membership, hierarchy, rules, monitoring and sanction). Table 2.1 synthesizes these dimensions.

Table 2.1 *Entitative and structural organizational*

Entitative organizational (at the level of the entity)	Structural organizational (combination of organizational elements)
Interconnected decision-making process	Membership
Actorhood	Hierarchy
Identity	Rules
	Monitoring
	Sanction

Source: Inspired by Grothe-Hammer (2019b, p. 329).

Degrees of Organizationality on an Entity Level: Entitative Organizationality

Dobusch and Schoeneborn (2015) argue that organization can be treated as a gradual phenomenon. In particular, they assert that a broad variety of social collectives with clear or unclear membership can be understood as “organizational” to varying degrees, at the level of the entity itself, despite its inherent fluidity. We call this “entitative organizationality.” Building on Dobusch and Schoeneborn, we propose that entities, i.e., collectives in the sense of being an autonomous system, can reach three degrees of organizationality: first, interconnected decision-making processes; second, actorhood; and third, identity.

According to Dobusch and Schoeneborn (2015), entities can become more or less organizational depending on certain features. Referring to Ahrne and Brunsson (2011) as well as Luhmann, they see interconnected processes of *decision-making* as the basic level of organizationality, which mirrors the above outlined idea of organizations as decision-based entities. In other words, a first degree of what we call entitative organizationality can be assumed when there is evidence of a system of decision-making.

In many cases, organizations reach a state in which they are externally perceived and addressed as actors that make decisions and to which decisions can be attributed. Accordingly, Dobusch and Schoeneborn (2015) identified *actorhood* as a second possible degree of organizationality that comes with additional characteristics and consequences. Actorhood implies that a collective is constituted as a collective person that is addressable by others and that can act as an author of actions and utterances. These characteristics have great implications. Once a collective acts and communicates as an actor, it can make decisions in its own right and it can be held accountable for decisions attributed to it (Krücken and Meier, 2006).

As a third possible degree of organizationality, Dobusch and Schoeneborn (2015) identified “*identity*.” This degree implies that a collective starts to produce self-descriptions communicating what it stands for. Dobusch and Schoeneborn (2015) illustrate this, using the collective “Anonymous,” which is an online hacker collective with unclear memberships and no legal status but capable of producing speech acts such as “We, the collective super-consciousness known as Anonymous” (p. 1023). Therefore, semantics are produced that are used by the collective to refer to itself – a decided identity – to address external demands (Kühl, 2021; Seidl, 2003). These self-descriptions are decided upon and must not be confused with the overall collective identity, which can have many facets (cf. Seidl, 2003). However, as soon as an entity starts to produce self-descriptions, part of its identity becomes a matter of decision and therefore acquires the paradoxical characteristics of a decided order. Such self-descriptions even affect internal decision processes because these processes begin to take into account the self-descriptions (Christensen et al., 2013; Kühl, 2021).

According to Dobusch and Schoeneborn (2015) a social collective can then be treated as more or less organizational, depending on the presence and extent of these characteristics. We refer to this as “entitative organizationality” because each degree refers to certain characteristics of a social collective. Based on these insights we derive Figure 2.1, which pictures the three different degrees of organizationality as grey circles. The arrows indicate the interconnected decisions constituting the organization as an entity on a basic level.

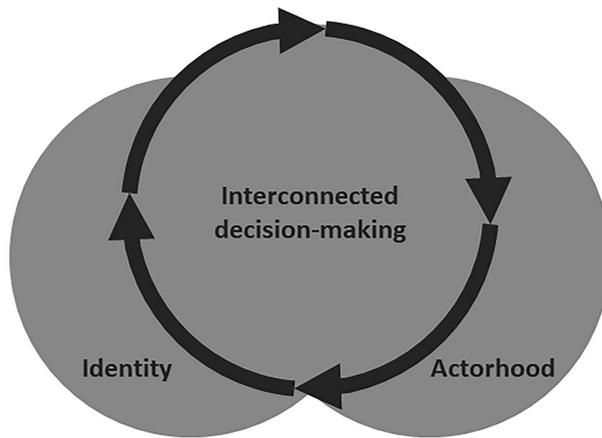


Figure 2.1 *Degrees of entitative organizationality*

Degrees of Organizationality in Terms of Organizational Elements: Structural Organizationality

Inspired by Dobusch and Schoeneborn (2015), Ahrne et al. (2016b) have suggested applying the general idea of organizationality to the concept of organizational elements as well. Hence, we refer to this version of organizationality as “structural organizationality.” The basic assumption underlying structural organizationality is that the use of organizational elements means the production of some degree of expectability. For instance, if hierarchies are accepted

as premises for further decisions, it becomes expectable (but not predetermined) that decisions issued by a hierarch are accepted; and, if rules are accepted as premises, it becomes expectable (but not predetermined) that these are followed. This expectability can be thereby considered scalable. The more elements are used and the more elaborated they are, the more expectability and therefore the more complexity are generated.³ Thus, organizational elements can also be understood as a continuum that is scalable in two respects.

First, it is possible to use varying combinations of the five organizational elements. It is possible to decide on only one, or more, or up to all five elements (Ahrne et al., 2016b). Accordingly, in many organizations as well as outside organizations only a few or even one element may be used to structure decision processes. For instance, in certain friendship groups we can often find only one organizational element. While in such a group, we may not find decided membership (who belongs to the group is probably elementary), decided hierarchies, decided sanctioning instruments, or decided monitoring devices, there might be a set of rules like the decision that every Wednesday evening, it is Poker Night. In nuclear families, we can usually find institutionalized hierarchies (parents in charge), institutionalized memberships (children belong to parents and vice versa), and institutionalized behavioral monitoring (parents and children live together). However, we typically can also find a set of decided rules (e.g., teenager child has to be back at home before 10 p.m.) and decided sanctioning instruments (children can be grounded for the violation of certain rules). In other social relations, it is even possible to identify the existence of all five organizational elements even if these do not constitute an organization, as in some markets (Brunsson et al., 2018).

Second, the degree of decidedness *within* certain organizational elements can vary significantly (Berkowitz and Bor, 2018). For instance, membership may be used as an administrative tie only, but it can also be coupled to certain decision rights and/or certain expectations, and cover varying time spans (Grothe-Hammer, 2019a, 2020). Hierarchies can be flat and nevertheless feature an elaborated horizontal differentiation, or only a vertical one, or a combination of both. And so on.

Organizations as well as other social settings outside organizations can be analyzed as more or less organized with respect to the number of possible elements used and in respect to how elaborated these elements are. Why is this important? At this point, our basic remarks on the characteristics of decisions become relevant again. Decisions and social structures based on decisions have certain characteristics and consequences. A social setting that is highly structured by decisions, features a high degree of paradoxicality. Accordingly, we can understand certain social phenomena better by analyzing these in terms of their structural organizationality and the related effects.

Let us take the example of scientific journal rankings in the field of business and management studies. A few decades ago, the ranking of journals was an institutionalized social order. As Barley (2016, p. 3) remembers, “everyone knew that publishing in *ASQ*, *AJS*, or *ASR* was a feather in one’s cap, but journals weren’t explicitly ranked.” In other words, the existing reputation of journals was something that had organically emerged over time and that was not decided in the form of an explicit ranking. Nowadays, myriad journal rankings exist. They are decided orders in the form of decided monitoring systems. Those rankings include and rate journals based on certain, decided factors such as impact factor and

³ It is important to note that expectability is not deterministic. Decided order can be designed to be quite flexible and can change quickly in the decision process.

peer reputation. As a decided order, journal rankings immediately triggered what decisions always trigger: rejection (Seidl, 2005b). As a matter of fact, the literature is full of examples in which scholars complain about these rankings (e.g., Willmott, 2011). However, these journal rankings are produced by organizations – certain academic associations or universities – that endow these rankings with some degree of legitimacy. The effect is such that rankings are in every case partly accepted as premises for further decisions by at least some organizations. As a consequence, the rejection of these rankings has not led to a dropping but to the creation of ever more rankings – a phenomenon that can be explained through the basic characteristics of decisions: Decisions provoke rejection, but if certain decisions are accepted as order, a rejection of this order facilitates only new decisions. For instance, the German VHB-JOURQUAL ranking was explicitly created because scholars of the German Academic Association for Business Research rejected the existing rankings as inadequate and inaccurate (Hennig-Thurau et al., 2004).

As this example shows, analyzing certain phenomena as organizational phenomena can allow for fresh and novel understandings of a large variety of social phenomena. In addition, more potential research questions come up and can be addressed in future studies. How can such settings make sure that some decisions are accepted so that expectability is achieved? Where are those decisions made? Who is responsible for decisions and who can be held accountable? All those questions come up with the introduction of decisional elements into a social setting and in which decisions begin to counteract the “natural”, or elementary, order of things. So far, this approach has been used in qualitative case studies (Grothe-Hammer, 2019b) to inquire into the complexities of organizational phenomena. However, it remains an open question if this structural organizationality can somehow be measured in quantitative terms to allow for large-scale comparative studies of organizational populations.

Combining the Two Facets of Organization(ality)

Although both understandings of organizationality loosely draw on each other (Ahrne and Brunsson, 2011; Ahrne et al., 2016b; Dobusch and Schoeneborn 2015), corresponding debates have remained largely fragmented so far. Scholars turn to either the entitative or the structural view of organizationality but only seldom combine both aspects (Grothe-Hammer, 2019b). However, we argue that, based on an integrated decisional OT, we can fruitfully combine both views to gain deeper insights. Empirically, every organization needs at least some decisions on organizational elements, while organizational elements outside organizations are mostly produced by organizations or at least in organizational contexts, as Figure 2.2 represents. In Figure 2.2, the large circles and circular arrows adapted from Figure 2.1 depict processual entities consisting of and reproduced by decisions. The smaller, two-directional arrows illustrate that organizations decide on organizational elements whereas the organizational elements simultaneously shape the decisions (large arrows) of the organizations. By combining both notions of organizationality, one can gain a differentiated analytical perspective on social phenomena.

Any degree of entitative organizationality can feature any degree of structural organizationality. As mentioned above, it becomes possible to analyze any phenomenon in terms of organizationality. Take markets, for example. While markets are often seen as the opposite of organizations (Williamson, 1975), decisional OT allows us to see that some markets are more strongly organized than many organizations. For instance, certification

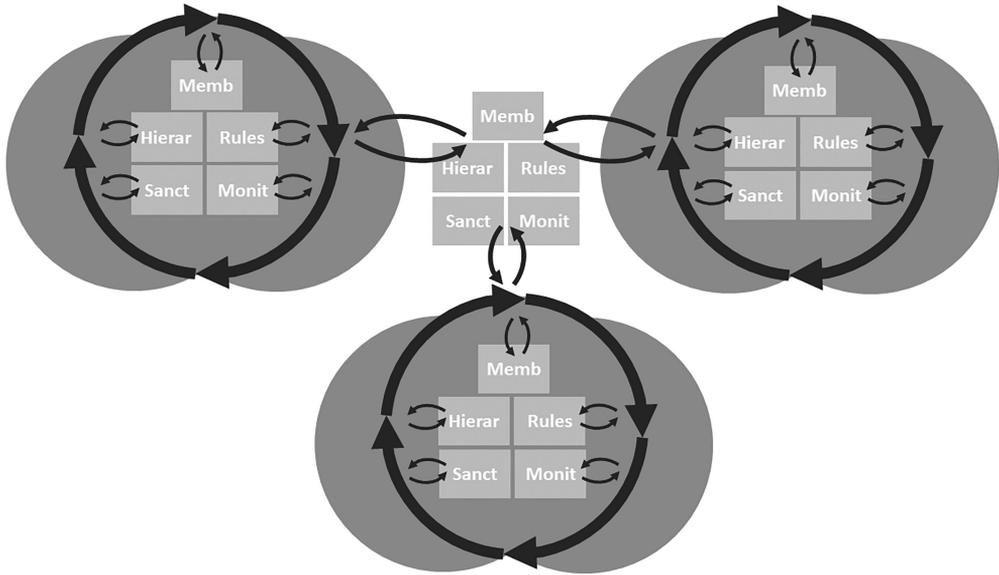


Figure 2.2 Organizationality within and outside organizations

and accreditation markets in the European Union are completely organized in the sense that all organizational elements are present but they of course do not constitute organizations (Brunsson et al., 2018). Hence, these markets are an example of a low degree of entitative organizationality but a high degree of structural organizationality.

On the other hand, there are organizations that achieve actorhood and produce decided self-descriptions of their identity – and therefore have a high degree of entitative organizationality – but that feature only a few organizational elements at a very low level of decidedness. One example would be the Global Business Initiative for Human Rights, a formal association of companies that builds members’ capabilities on human rights’ respect and performance, but has almost no decidedness upon hierarchy, rules, monitoring, and sanctions (Berkowitz et al., 2017).

In other words, while the markets from our example do not constitute organizations, they are organized like strongly structured ones and, while some organizations feature all organizational entitative characteristics, they can be surprisingly little organized on the level of organizational elements.

Hence, it becomes possible to analyze how organizational organizations and other social settings are in structural terms. How high is the degree of organizationality in terms of organizational elements? In this respect, the decisional OT perspective opens up the possibility of organizational comparisons. One can, for instance, ask how organized certain organizations, types of organizations, or other forms of social collectives are in comparison to each other. This view, for instance, could shed more light on the relevance of actorhood and self-descriptions of organizations. For instance, what can low-structured organizational actors achieve in comparison to other social settings that are perhaps strongly structured in terms of organizational elements but do not constitute organizations? Are these aspects even

functionally equivalent to some degree? Can an organization substitute the lack of certain organizational elements by achieving actorhood and decided self-descriptions?

From such a processual view, a combination of the entity notion of organization with the organizational elements perspective allows for a systematic analysis of the complex interplay of both over time (see Grothe-Hammer, 2019b). The complexity of organizational elements only unfolds through decision processes. These processes produce, reproduce, and alter these very elements, and are guided by them as well. Such a view prompts a wide variety of research questions, such as: How do different organizational elements relate to each other in organizational processes? Which effects do which kinds of organizational elements have on decision processes of and between organizations? How do organizational elements change in the process through time and how does the effect of certain elements mutate over time? How do decisions relate to elementary types of social order and how do decision processes relate elementary order to decided order?

Layering Organizations: Meta-Organizations

These theoretical considerations apply to a wide variety of phenomena and help to capture even wider degrees of organizationality, including organizations of individual members, as well as organizations whose members are organizations – i.e., meta-organizations. The basic idea of meta-organization theory is that organizations can be layered. Many, if not most, organizations are members of other organizations. Hence, the constitution of such meta-organizations requires a certain degree of organizationality. Specifically, meta-organizations rely on the organizational element of membership since they have organizations as members. Moreover, meta-organizations are organizational entities that are constituted by decisions – otherwise an inter-organizational collective would constitute only a non-directed network with little decision capability at the network level and therefore significantly different characteristics. Finally, the organizations that become members of a meta-organization must be identifiable as distinctive actors (i.e., being the recipient of an externally attributed actorhood) by other organizations to become the object of a membership decision. Therefore, such a layering of organizations onto each other already implies certain minimal degrees of organizationality.

Against the backdrop of decisional OT, the layering of organizations entails certain consequences. A meta-organization centralizes some degree of decision authority. The organizational element of membership generally implies that members accept, or pretend to accept, that their organization has the right to issue decisions in their name. When it comes to meta-organizations, this means that a member organization must be willing to accept that decisions are made in its name by the meta-organization. As a consequence, “a meta-organization and its member organizations compete for identity, autonomy, and authority” (Ahrne and Brunsson, 2008, p. 61).

However, the distribution of rights to issue certain decisions is also a matter of decision on both organizational levels. The member organizations participate in the meta-organizational decision processes, and thereby participate in decisions on the distribution of decision rights as well. Moreover, meta-organizations typically grant decision rights to certain member organizations to make decisions for the meta-organization (see, for instance, Berkowitz and Souchaud, 2019b).

When an organization joins a meta-organization, another organizational order is placed on top of its own order. By gathering organizations as members, meta-organizations turn part of

their external environment into an internal (organizational) environment (Berkowitz and Bor, 2018). As a consequence, meta-organizations and their member organizations are somehow simultaneously internal and external to each other. Hence, meta-organizations produce challenges in terms of organizational boundaries and accountability.

So far, scholars have struggled to understand this basic meta-organizational characteristic and the wide-ranging implications it entails. For example, Ahrne and Brunsson (2008, p. 64) have argued that meta-organizations place a new boundary “around” the boundaries of its member organizations. However, this understanding would imply that member organizations become subsystems of an overarching member organization as in a relation between subsidiaries and a parent organization. Obviously, this is not the case. No one would assume that the German Football Association is a subsidiary of the Fédération Internationale de Football Association (FIFA), or that an intergovernmental organization owns or controls its member states. Other scholars have argued that organizations remain outside their meta-organizations and that both levels only relate to each other. However, this view tends to neglect the fact that meta-organizations and their members directly interfere internally with each other. For example, the FIFA makes decisions for its member organizations and the member organizations directly participate in these very decision processes. Hence, how can we better understand the basic workings of this interrelation? What does it mean when we write that organizations belong (only) partly to a meta-organization?

One could argue that, already in individual-based organizations, the individual members are always simultaneously internal and external as well. In this sense, members are always only partially included (Bencherki and Snack, 2016). However, in the case of meta-organizations, there are crucial differences. A single person can be seen as a psychological entity that participates in social processes but does not consist of social elements. Hence, a person can participate in social processes but these social processes are different from psychological ones (Grothe-Hammer and Schoeneborn, 2019). As a consequence, individual members can be seen as internal in the sense that they participate in the internal processes of the organization. They also remain external in the sense that they remain distinctive entities that operate using a different logic. However, in the case of meta-organizations, both the member organizations and the meta-organization are organizations and hence both feature the same kinds of social processes and elements that begin to overlap as soon as the one joins the other.

In this respect, we argue that our integrated decisional OT framework offers a better understanding of basic elements of meta-organization theory. Building on our former groundwork, we can understand an organization as a processual entity based on ongoing decision processes. In principle, distinctive organizations always have their distinctive decision processes and organizational structures. As such, it is relatively easy to distinguish, for instance, the car manufacturer BMW from Daimler Benz. However, when applying the notion of processual entities to the phenomenon of meta-organizations, it immediately becomes obvious that the usual distinctiveness of organizations is not present. While it remains easy to distinguish the meta-organization from its member organizations in general, on a processual level both become intertwined. While organizations can be characterized as an ongoing stream of interconnected decision-making processes that construct their boundaries by these very decisions, a meta-organization implies that another stream of decision-making comes in that directly interferes with the first one. In meta-organizational constellations, many decision processes that occur on one level also belong simultaneously to another level as well. For example, Grothe-Hammer (2019b) showed that decisions on a meta-organizational

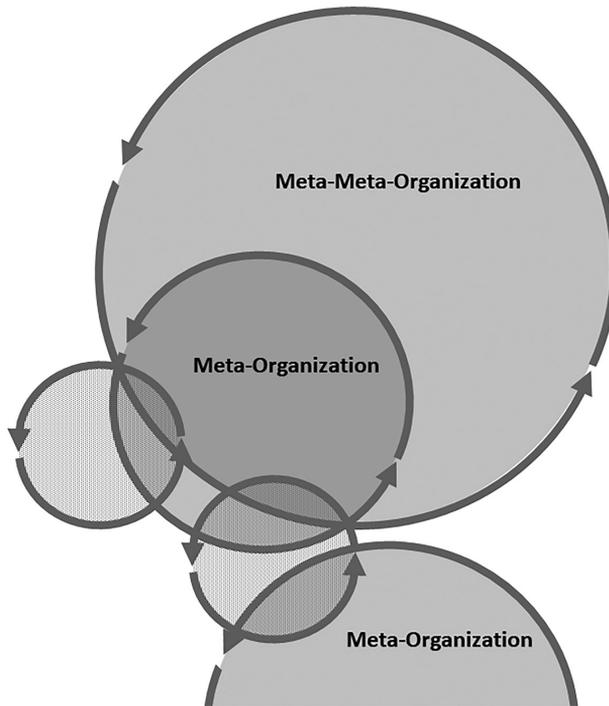


Figure 2.3 Layering of organizations

level can be treated as member-organizational decisions as well. Decision processes on the meta-organizational level are connected partly to decision processes on the member level. Because both levels of organization feature the same kind of social process (decisions) and overlay each other, the meta-organization can make decisions directly in the name of its member organizations and vice versa. Many meta-organizations thereby become members of even higher levels of meta-organizations, i.e., meta-meta-organizations and more, adding more organizational layers that interfere with each other. Figure 2.3 illustrates this multiple layering of organizations as processual entities that partly internalize each other.

Layering organizations does not only imply multiple distinctive decision processes that interfere with each other, it also implies multiple layers of organizational structures, i.e., organizational elements. Meta-organizations and their member organizations each have their own internal organizational elements structuring their decision processes. Those organizational elements become interrelated. Typically, meta-organizations provide some organizational elements for their members, thereby producing the organizational structures of their member organizations. This is, for instance, the case in sport associations such as the FIFA – actually a meta-meta-meta-meta-meta-organization. FIFA issues rules for soccer matches employed by every layer of member organizations as organizational structures. However, the degree of structural organizationality can thereby vary significantly (Berkowitz and Bor, 2018). While FIFA is an example of a relatively “strong” meta-organization that features all five organizational elements, other meta-organizations may be quite “weak” and enjoy little autonomy to make decisions for their members, thereby featuring few more

organizational elements than basic memberships. For example, a United Nation Security Council resolution needs the votes of nine members, and can be vetoed by a single permanent member (USA, Russia, China, France, UK).

Whether strong or weak, most meta-organizations have the feature of joint decision-making in common (Ahrne and Brunsson, 2005). Since their decisions interfere directly with the decision-making autonomy of their member organizations, meta-organizations ensure the legitimacy of decisions often through inclusive decision-making (cf. March, 1994, pp. 167–168). For instance, in FPF, a meta-organization that gathers not only crowd-funding platforms, but also civil society organizations, all participants have an equal weight in the board votes, whether they are platforms or civil society (Berkowitz and Souchaud, 2019b). By doing so, these meta-organizations cope with the inherent paradoxicality of decisions, which implies the likelihood of the contestation of decisions. When the meta-organization integrates member organizations as actors into the process of reaching certain decisions (and creating decided order), the attribution of responsibility for those decisions is distributed among all members. As a result, a member organization is more likely to accept such decisions, since it participated in its making. This is particularly visible in cases where member organizations agree to self-regulate, for instance in the VPSHR, a meta-organization dedicated to human rights protection in the extractive industry (Berkowitz et al., 2017).

Interorganizational collaboration is often said to emerge where single organizations cannot address a problem on their own. This understanding implies that participating organizations need to develop a new solution together. Instead, we propose that layering organizations allows for expanding the reach of internal organizational processes and decided orders to levels far beyond the possibilities of single organizations. For instance, by bringing together businesses and NGOs, some meta-organizations like the Extractive Industry Transparency Initiative (EITI), enable members – here extractive firms – to internalize their environment while neutralizing conflict with certain stakeholders – here NGOs (Berkowitz and Dumez, 2015). Further, most organizations join multiple meta-organizations: the French oil and gas company Total, for instance, is part of a national trade association, the UFIP, of international trade associations including the International Oil and Gas Producers association, of cross-sectoral associations including the Global Business Initiative for human rights, and so on and so forth (Berkowitz and Dumez, 2015). As a consequence, organization becomes extremely complex, combining multiple distinctive decision processes and multiple decided orders into one unifying entity that provides its members with coordination capabilities that other forms of social collectives do not provide.

PART 4: OUTLOOK AND FUTURE RESEARCH POTENTIALS

In this chapter, we have argued for and developed an integrated framework, called decisional OT. Decisional OT draws on different perspectives that share the assumption that decisions are the central component of organizations. Bringing together sociological system theory, partial and meta-organization theory and the concept of degrees of organizationality, our framework accounts for the varying roles of decision in the emergence and continuation of organization. This leads us to conceive of organization as both a system of decisions and decided structures. We distinguish between “entitative organizationality,” i.e., degrees of organizationality at

the entity level, and “structural organizationality,” i.e., the combination of organizational elements. Through this analysis, we have shown that organization is layered at different levels and intertwines different, multiple social orders. This work has various implications for theory, which open future research potentials to be developed hereafter.

Nested Organization?

First of all, while the layering of organizations already offers an unprecedented level of decidable complexity, the possibilities of increasing organizational complexities go even further. Organizational entities do not only layer on each other, they also produce myriad decided orders for their external environments. We call this phenomenon the nesting of organization. Individual-based and meta-organizations produce organizational elements for themselves, each other, and others; and they are in turn embedded in a broad variety of such settings of organizational elements as well. These highly interrelated arrangements of organizations and organization may constitute what Brunsson et al. (2018) call macro-organizations – a highly complex set of layered organizations and organizational elements.

By nesting organization, organizational complexities are elevated even more to an extreme level and may create new co-dependence relations among unexpected actors (Berkowitz and Souchaud, 2019a; Nielsen, 2018). Decision processes and decided orders grow so highly interrelated that they become hard to imagine. In crowd-lending, for instance, the nesting of organization enables the engineering of collective wisdom but implies a co-dependence of decision between crowd-lending platforms, the crowd of investors, entrepreneurs and chartered accountants (Berkowitz and Souchaud, 2019a). Nevertheless, organizations retain their decisional characteristics – immediateness, specificity, accountability – and therefore their fragile state of decidedness. So far, it is unclear how these settings maintain their stability and elasticity at the same time. Research questions regarding how decisions are accepted as premises for further decisions in these settings and how they change are yet to be answered.

Maintenance of Boundaries?

These highly complex settings of layered and nested forms of organization raise organizational boundaries issues. Usually, we can use membership and members as an indicator of organizational boundaries (Luhmann, 1996). However, in complex layered and nested settings, memberships become multiplied and neglected at the same time. We have mentioned earlier the weakening of membership as an explanatory tool for understanding organizations. In contemporary societies, organizations multiply memberships in many different meta-organizations, meta-meta-organizations, and more. At the same time, some organizations seem often to refrain from deciding on individual memberships – some do not even have members of their own (Grothe-Hammer, 2019a). Organizations and meta-organizations moreover typically belong to partially organized settings structured through organizational elements, e.g., markets, fields, and networks, in which memberships are also not decided. Nevertheless, these settings are highly organized and nested into each other. Membership, therefore, is no longer suitable for explaining the nesting of organizationality in multi-level decided orders.

Conversely, degrees of organizationality tend to show that organizational boundaries are more or less defined depending on the strength of organizationality. On a basic organizational

level, organizational boundaries can be seen as constituted by the organizational decision processes. While these processes become interrelated in layered and nested settings, decision processes within an organization usually still connect to its own decisions. However, in some cases it might be an empirical question whether there are still distinctive decision processes which are identifiable or whether one organization got somehow absorbed by another.

Actorhood – as another degree of organizationality – is also a marker for organizational boundaries. Which decisions and decided orders are attributed to an organizational actor and which are not? Moreover, a collective identity – as the third degree – will produce specific organizational boundaries that differ from mere membership or decision processes in the case of organizations without actorhood for instance. Accountability and responsibility toward the external environment also tend to produce specific organizational boundaries. All in all, the participation in and creation of multiple decided orders show the permeability of organizational boundaries between the member-organization and the multiplicity of other decided orders to which it belongs.

As such, the layering and nesting of organizationality contributes not only to the complexification of collective action, but also to an extension of a field of responsibility for decisions. If organizational boundaries are permeable, one organization may become responsible for decisions by “capillarity.” This has many implications for organization theory as well as organization behavior and raises several issues that may constitute potential venues for future research.

The Relation between Decisions and Non-Decisions

The real complexities of organizational phenomena unfold only in the combination of decisions and decided order with non-decisions and non-decided order. Organizations typically rely on myriad institutionalized social orders on which they build their decisions. Organizations usually do not have to decide that they need offices, desks, chairs, or computers – instead they build on these institutions and decide on how many offices they need, where these have to be located, how large these have to be, and from whom they will rent these. They decide which chairs, desks, and computers they buy, and so on – without having to decide that they need these things in the first place. Without the underlying institutional orders, organizations would be lost in complexity. In this respect, Ahrne (2015) has pointed out that organizational elements can be contrasted with other, non-decided forms of social structure. On a more generalized level, he identified *affiliation*, *expectations*, *power*, *visibility*, and *consequences* as the overarching elements of social relationships. Organizational elements describe the decided kinds of these elements but any of these categories feature myriad self-emergent social structures. These non-decided elements of social order are highly relevant in all areas of society – inside and outside organizations – and decisions and decided elements occur only in relation to these kinds of order.

Organizations also rely on many kinds of non-decisions. Decision-makers often rely on and refer to other forms of communication, to certain facts, like for instance research results or business reports, on the basis of which they try to rationalize decisions. The more elaborated the facts referred to, the more complicated the decision process becomes. Decisions are always embedded in a larger setting of highly interrelated social processes. Take the weather forecast as an example. Many organizations like restaurants, beach bars, sports clubs, or schools rely on the weather forecast – a communication about the probable future weather – to make their

decisions. Similarly, physicians rely on all kinds of information they can gather to reach decisions. And so on. The real complexities of social phenomena unfold only in the complex interplay of decisions and non-decisions, and decided and non-decided order (Laamanen et al., 2019, 2020). In this respect, decisional OT argues that scholars have too often focused on only one of these sides (Ahrne et al., 2016a and 2016b; Apelt et al., 2017). However, for understanding social phenomena in their whole complexity, it is important not to favor one side over the other and instead to take both adequately into account. Future studies might explore how the peculiarities of the one relate to and rely on the peculiarities of the other, and vice versa.

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