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A micro-contingency theory required!

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Abstract

This essay attempts to demonstrate how the use of "accounts" may serve as a tool to get access to data on how managers make sense and meaning of discussions across competence areas in management meetings within large organizations. It does so, in accordance with Weber's (2020) method of first giving an "exposition" of a "real" (videotaped) meeting situation and then providing "theory" that explains what has been exposed. What is shown is that surprises may play a significant role in organizational communication. Not only that a surprising event in the industrial environment may require action (now), but also that a question – one that the presenter realizes he should have prepared for – may generate uncertainty that makes the meeting participants unwilling to take a decision (now). That is why we need to pay attention to the micro-contingency "hick-ups" that may delay urgent action.

Keywords: Contingency, sense-making, meaning-making, accounts, action nets

1 Introduction

Large corporations are larger than most states today. Of the 100 largest economies in the world 60 are corporations (Fleurbaey et al., 2018). Even in large countries like the USA, China or Russia we can observe a worrying intertwining of State and Market – in Russia the State (Putin) is in command of strategic businesses and in the USA (Trump) business interests are in command (?) of politics. Wolf (2023) provides us with a most disturbing account of The Crisis of Democratic Capitalism, with increasing inequality causing crises, and austerity as the main countermeasure, providing for still more inequality. In his farewell speech president Joe Biden warned us about the risks of a strengthened plutocracy taking over. At the same time - ever since Chandler (1977) - we register in interviews with CEOs of large corporations (Jönsson, 2023, Jönsson & Jönsson, 2024) a more articulated insight that the Board of Directors in large corporations have diminishing possibilities to control their organizations – they don't have the knowledge nor the time. We already know (Brunsson & Jönsson, 1979) that politicians have less influence on policy than they think. The organization of society is overwhelmingly complex, which provides opportunities for autocrats to build power structures for other purposes than the good of the people. Applebaum (2024) warns us that as autocrats ally with plutocrats a central tool is misinformation and "controlling the narrative". She points to Putin's success as autocrat being based on his "marriage" between state and oligarchy, which is being copied in many countries today. Social fragmentation and confusion make people more prone to accept "conspiracy theories" and to rely on single social media

sources of information. Increased autocratic power at the top and more confusion at the base is not a desirable scenario. We need more "micro-studies" of how competent members of organizations deal with sense-making and the design of collective organizational action in complex situations.

Even if the knowledge needed is present somewhere inside the organization the problem of communicating across levels as well as between competence areas is there. We really have a "incommensurability" problem in managerial control much like the one Kuhn (2022) struggled with concerning science – to the end of his life. His efforts were directed towards breaking down categories, concepts, and measures to subcategories to see if there could be "bridges" to be found across the abyss between paradigms. With the increasing complexity there are similar obstacles to communication across professions and practices in industries as well. But management is different from science in the sense that it aims to change the world for the better, not only describing it as it is (correctly). Since there are no (permanent) "laws of nature" that govern the development of organizations – human creativity in the face of problematic situations plays an important role – it seems reasonable to turn to the fundamental belief by Weber (2019) that organizations can only be studied by the acts (including communication) of individuals. Wittgenstein (1953) repudiated his own Tractatus (1922) and focused on "language games" inside "forms of life" to stimulate a (later) "linguistic turn" in social sciences. An interesting aspect of this "turn" is Kuhn's (2022) claim that many progressive steps in scientific development has been initiated by (local) individual scientists who noted an "anomaly" in a theory area and tried to find an explanation to that surprising observation. In reasoning about an individual's ability to take note of such "anomalies" – and communicate about them – Kuhn (2022) used the concept "lexicon of kinds" to mark the conglomerate of terms, categories, measures used in communications inside a paradigm. Here one can see inspiration from the debate in Cambridge a century earlier (Misak, 2016, 2020) as pragmatism took root there. Ramsey, a doctoral student charged with translating Wittgenstein's Tractatus to English, opposed Wittgenstein and claimed that there is no "perfect" language – the "words get in the way" of understanding, i.e., communication across knowledge areas (professions) is hampered by the fact that vocabularies and their meanings are developed in specific contexts. Consequently, in general the "current situation" in most organizations is a mess in need of clarification for the individual member. Those in power may use references to hierarchy or the rules of "fair" competition to simplify choices. But, also, autocrats in spe (?) may use networks to short circuit ordinary transactions in their grab for power. Once in power they may seek to extend their territory (Applebaum, 2024) or just extract a good life for themselves like Hobbes (1651) predicted. In sum, large organizations are becoming increasingly opaque with their multitude of (potentially important) processes. Statistical modelling (even with AI) will not do the trick of helping us understand how they work, since such methods can only build on historical data ("surprises" deviate from expectations).

The argument in this essay is that we should start (with Weber, 2019) from the activities of individuals as they try to achieve an elaboration of how their organizations could do better driven by surprises (anomalies) on the micro-level. Their accounts of situations will provide material for pragmatic constructionist analyses.

2 Approach

First a reminder of Selznick's (1949) study of how the Tennessee Valley Authority (TVA) managed to survive and prosper over a long period by "adaptive response" to pressures and events in its environment. Originally started to build electricity generating facilities in the Valley by dams in the river, with consequences for those who lived in the valley, it found, that when the hydro-electricity job was done, there was a great further need for electricity in the form of steam power stations. By adapting the legal nature of the TVA to become a "self-financing" organization it could counter the critique that it was subsidized by the state.

"Adaptive response" requires that (1) an "anomaly" is discovered and that (2) a suitable "response" is constructed – the anomaly being a surprise that falsifies previous expectations. This can be said to have started the "contingency theory" approach to change. However, on the microlevel, in the deliberation among members of the organization on what to do now to rectify the situation for this particular organization many "contingencies" on the personal level have to be given an "adaptive response". The purpose here is to illustrate how such micro-processes may be available for analysis by way of the "accounts" given by participants in such processes.

2.1 The significance of the "anomaly" (surprise)

The presumption is that patterns in the reasoning by management teams in complex situations (which is not usually available for researchers) may be detected in the participants' post-situation "accounts". First, the discovery of an anomaly as initiator of deliberation and then debate.

In two series (1990 and 2020) of interviews with prominent industrial leaders in Swedish industry we (Jönsson, 2023; Jönsson & Jönsson, 2024) asked respondents to give accounts of important 'learning events' in their career. The

respondents varied in the sense that in 1990 engineers were in majority of the 22 respondents, while in 2020 managers with business education were in majority (19 interviews). This may explain why the accounts in 1990 were mainly in terms of "bundles of activities" (operational facts), while the accounts of 2020 tended toward justifications (narrative form). The interviews generated 684 accounts of "learning events", most of them initiated by "surprises" (or a state of confusion).

> *Illustration: One of the respondents (business education) had started his career in the consumer industry but had shifted to the market side in a producer of machinery for industry. As part of his introduction to the company he had been on a tour among distributors on the US market. At one of his visits, he was invited to the owner's home for dinner. It was a luxurious home and as the evening advanced our respondent could not help himself but asked where all this wealth came from. The answer by his host (with a smile) was: "From your company!" At this point in the account our respondent paused (intently), looked the interviewer in the eye and exclaimed: "They were making more money than we did as producers!" (Then followed an account of how the respondent managed to persuade fellow managers and the board that a considerable investment in a service division was justified – which was not easy in a culture favouring production of excellent machinery.)*

Other accounts started from the respondent being "thrown" into an largely unknown situation – like being sent to sort out some problem in a production plant in another country.

It seems obvious that not enough attention in management research has been devoted to the efforts of managers to "normalize" a confusing situation initiated by some surprise that falsifies the expectations on which normal operations are based. Also obvious is the fact that data on such situations are hard to come by. We have to do with ex post accounts, which are, by definition, difficult to verify. But what is "the truth" in such confusing situations? All members of a management team, composed, as they should, by different specialists, will "understand" the situation in terms of their own "lexicon of kinds". Czarniawska (2004), in discussing field work methods ("actor networks" as well as "action networks") points out that if we want to study what "actual" managers do when they practice their trade "time" becomes "kairotic" in the accounts of that managers give of what they do (as opposed to "chronological" time), since they make time "jump around" in their accounts to fit the emerging story. Thereby several "histographies" are in play when people give accounts of a certain chain of events. Respondents are very much present in the accounts.

In the Actor Network Theory (ANT), primarily represented by Latour (1999), "centers of calculation" are identified as important nodes where "inscriptions" are produced (by calculation). Taking this notion to the field in a study of the City of Stockholm Czarniawska (2004) found that "everybody" was calculating. To underscore the close relation between deliberation and action for most members of organizations she suggested that it should be "agent network theory" rather than "action network theory" in order to focus the deliberation and action of people (who "do" things) in organizations.

With that kind of "tilt" in the conception of the phenomenon in focus one must (at least) include that "agents", as agents, are constantly working on their own "practical identity"[1] (Korsgaard, 1996) at the same time as they are occupied with designing – and performing – collective action in complex situations, i.e., making competent contributions to common efforts. Both of those aspects of "agency" – caring for your own "identity" as a competent and responsible member and constructing a bundle of actions (together with colleagues) that will solve the problem in this particular situation – involves communication (Cooren, 2000) in processes of re-framing (Goffman, 1974).

The problem with such a conception of "Moments of Truth" when organizations and individuals learn something memorable from a single case experience (real time) is that there is uncertainty (expectations have been falsified by a surprising observation!), complexity, as well as the building of a network of actions for improvement. Then rationality has no basis – there are too many unknowns – so the "truth" must be "narrative truth" – a set of proposals that "make sense" – and can be "realized" (turned into "factual truth"). The surprises that generate such moments of reflection in organizational learning can be in "micro" scale as well as in "macro" organizational crises.

At the core, one might assume, is the autopoietic (self-reproductive) property related to the action theories of Parsons (1937), Luhmann (1988), which presupposes communication.

2.2 A note on autopoiesis

The concept autopoiesis was first introduced by biologists in the early 1970s to denote the process whereby a cell produces the components of which it consists (self-reproduction). Luhmann (1986, 1988, 1995) develops a social

[1] Korsgaard (1996, p 101):
"A description under which you value yourself, a description under which you find your life to be worth living, and your actions worth undertaking"

systems theory that includes an extension of this concept to social entities, which requires communication between members. At the center of the analysis is the difference between the system and its environment, but one must not forget the difference between elements and relations, which also is constitutive in the sense that one cannot have one without the other. Adding the dimension of autopoiesis means that the system acquires a self-referential property. While a self-reproductive system "learns" by repetition, a self-referential system is built on connectivity. Meaning plays a significant role in Luhmann's (1995) development. … "every event can acquire meaning and become a system element". (p. 66) …. "Thus, meaning ensures the complex of properties necessary for the formation of system elements… an element allowing itself to be determined by its relations to other system elements". Here Luhmann refers to Parson's theory of action (Parsons & Shils eds, 1951) and introduces the "double contingency" concept inherent in interaction. Actor A's gratification is contingent upon his selection among available action alternatives, while, at the same time, actor B's reaction will be dependent upon actor A's choice, and his own complementary choice. This means that:

1. Each actor is both an acting agent and an object of orientation, both to himself and others.
2. As acting agent, the actor orients to himself as well as to others, and is an object of meaning to himself as well as to others.

This is the "double contingency" of interaction!

Consider further: "What an individual action is can be ascertained only on the basis of a social description" (Parsons, 1995, p. 166), and we realize that data gathering concerning social interaction should involve the understandings of "nets of action" (utterances) of the participants themselves. This can be achieved by recording interaction (e.g., in meetings), playing the instances of the recording back to participants (individually) with the question "What is going on here?".

The opportunities for such data capture seems to arise from situations where deviations from the expected have been observed (Jönsson & Jönsson, 2024). But how improvement projects (collective action!) are constructed in such situations is less obvious. Czarniawska (2004) discusses her experiences of fieldwork methods (participant observation, shadowing, narrative interviews) and seems to look upon them as a toolbox to be used to fit the character of the particular real processes observed. There is much to be said for that view, but there remains the problem of what tool the researcher should choose (here and now). But still more important, it seems, is how the study objects – the managers themselves – choose to construct an understanding of the unfolding situation in real time. Here it is claimed that another "tool" – self-confrontation interviews based on video – can be used to acquire "accounts" (Scott & Lyman, 1968) from several participants in the same management meeting. Re-experiencing a problematic situation – Scott & Lyman defined "accounts" as "repair of problematic situations" – seems to stimulate such account-giving and demonstrate how individuals understand the same situation differently. Accounts, making different sense of the same situation may illustrate how different understandings are based, but they may also open up the question about truth in social systems for discussion. There is (obviously?) an objective truth playing on the video tape of the meeting, but the individuals that participated in the meeting, and acted upon the decisions taken, understood it differently. Normally one would turn to theory to work out what is true, but why not turn to the participants themselves?

2.3 Illustration of data gathering by self-confrontation

In the late 1990s and early 2000s I and colleagues were allowed to video record management meetings in a variety of settings (a car model development project, market side of a multidivisional forestry corporation, jet engine components company dealing with the effects of 9/11, a local municipal council). Here one episode from the recordings of the work of the Project Management Group (PMG) of the car model development project in the late 1990s will be used as illustration[2].

2.3.1 Getting acquainted, Direct observation, Interviews

The first few months of this kind of research is a matter of getting acquainted with the setting, the language and the people involved. This required interviews with central actors, getting to know the details of the administrative design of the project to develop a new car model. The language being used in the actual work of the managers emerges as a (limited) understanding of a mixture of administrative rules, historical comparisons, and terms used in the professions represented on the PMG.

[2] That study was made with promises of discretion – we were allowed to film and bring the videos with us a couple of years before the new car was launched – so the analyses have not published (much). However further material is presented in Jönsson (2004).

2.3.2 The meeting and a fragment of it

The illustration is taken from a car model development project inside an alliance between Volvo and Mitsubishi in the late 1990s.[3] Due to the close cooperation with the alliance partner the project to develop the year models was located at the production plant in Holland, with some of the members of the PMG travelling to the meetings from their ordinary position at Headquarters (HQ). For Mitsubishi development was more centralized since they had several production plants around the world for the same model.

Volvo's development of their first version of the S/V 40 model on Mitsubishi's platform had been done "in a hurry" – corners had been cut. There were many things that had to be improved in the second and third years (which we observed).

A year model starts with a pilot study that specifies the requirements that the new project must deliver. There is a project leader (and his deputy) who chairs the PMG of about 20 "system engineers" (Engine, Electricity, Testing, Interior Design, After Market, Human Resources, etc.), with varying numbers of subordinates.

The project was run on a "stage-gate" -model. This means that the project budget was divided into "stages". If the project passed the tests of quality and cost (for each component), the "gate" was opened (including the appropriate budget allocation) to the next stage. Testing is of course involved, but the main event at each "gate" is a severe "Target cost review" done by senior engineers from the "Cost Engineering" department – component by component with the responsible "system engineer" in the "hot chair". The whole target cost review is done in about two full days – cost engineers (at that time) armed with piles of computer printouts (component by component).

I noted Bill ("Interior Design", who is the main actor in the video excerpt to be discussed) in one of these target cost reviews when he was charged with having exceeded the target cost for the new knob on the gear shift lever. He got away with it by referring to a recent top management policy document about the need to reduce weight to save petrol. (His knob was 8 grams lighter than the current model; he said! Smart guy!)

The PMG meetings are decision meetings with all (about 20) system engineers and the project leadership and a protocol keeper. They took place every 3 weeks or so. At the beginning of these meetings there was a 5-minute slot for every system engineer to report on the situation, problems, and new initiatives of his part of the project.

2.3.3 The fragment of the meeting - the case of an extra cote of noise-reducing material on the firewall

At this PMG meeting Adam (project leader) was called away to HQ for a strategy meeting, so David (his deputy) was chairing the meeting (for the first time).

Background: When Adam was shown the video clip (to be discussed below), he gave the following background to the problem; the Spanish government had introduced tax incentives that favored diesel engines, which were supposed to be environmentally friendly. The Quality Department at HQ had picked up this news and initiated a study of the strategic implications. Since "company cars" was a significant part of the Spanish market in this size class at the time, it provided an opportunity to strengthen the premium position of the model there. A study project had been initiated, and it pointed to a good noise reduction effect if the firewall (between the engine bay and the coupé) were provided with an extra coat of isolation material. The first step would be to program the robots in the paint shop for this extra coat. A bright subordinate (John) to Bill had picked up the news about this and asked himself why not do this for all cars? (including petrol engines). He had brought this to Adam's attention. Adam saw the benefits of having the same extra coat for all engine versions (the same body for all engine versions in production and reduced noise on top!). Adam had discussed the idea with Quality, which had agreed to implement this change quickly by including it in Adam's (ongoing) project and pay for the cost.

Having settled the matter Adam – before he left for the HQ meeting – had asked Bill's subordinate (John) to brief Bill on this initiative and provide him with the information overhead (OH) slides for the 5-minute slot in the upcoming meeting so a decision could be protocolled, and the programming order (for the robots) be placed with the supplier without delay. Just before the PMG meeting John, in turn, briefed Bill about the need to put this matter of an extra coat of isolation material in all cars on protocol. If all went smoothly the noise reduction could be implemented in time for the next test car production run. John also handed over a couple of OHs for the presentation.

[3] The Dutch government had subsidized the building of a production plant for DAF's car production in southern Holland (to compensate for the closing of coal mines in the area). DAF's car division had been acquired by Volvo. Mitsubishi was seeking a more stable anchorage in Europe. An alliance had been formed based on Mitsubishi contributing the technical platform for a small car model and Volvo the production plant.

2.3.4 The PMG meeting 1997-10-15 13:09 – 12

Main characters:

Bill has been with the project from the start but was relatively recently promoted to "System Engineer" for "Interior Design". John, one of his subordinates, had briefed him just before the meeting. John claimed that this is just a matter of putting the formal decision on record. It had been cleared with the project leader (Adam) - these OH-pictures hold all the important information needed for the protocol.

Caesar, protocol keeper is an old hand. Reliable to keep a correct record on decisions.

Fred is the only representative of Production Control in the PMG – in charge of contracting suppliers, organizing logistics, etc. He hates late changes in car development projects since they disrupt carefully laid production plans (flows and timing). He feels he must take every opportunity to educate the development people on proper project behaviour. If you get a great idea – fine! – then propose it for the next project! Your task now is to realize the project plan based on the pilot study (which is also the basis for the plans by Production Control)!

David had been with the project since the start but was recently promoted to deputy project leader. This is the first time he chairs a PMG meeting. (Adam had briefed David before he left – no problems on the agenda).

Adam, the project leader was not present due to a strategy meeting at HQ.

Background to the video-sequence used for illustration:

When it was Bill's turn at the beginning of the meeting (his 5-minute slot), he put up the OH slides, presented the background that "this will improve all cars" (and we will use the same body for all engine versions), and the figures…". When he arrived at the cost figure at the bottom of the OH slide, he was interrupted by the project controller with the question "Who will pay?" Bill was thrown off balance when he realized that he did not know and started to ask around the table if anybody knew. This was an awkward moment for Bill. It is elementary to know who is paying when you propose an extra outlay! Now we turn to the second part of the 3-minute video clip, Bill was already off balance:

(During Bill's first embarrassment because he could not answer the question on who was paying for the extra cost - Fred (Production Control) had stood up and moved closer to the OH screen (squinting).
(Code words: 820 = week 20 of 1998; F9QT = the diesel engine version of the car)

Fred: *<pointing toward the overhead projection> I think we get a lot of these study requests! <inaudiable> should be very careful! <He talks in a low voice now close to the head of the table. Everybody shifts their attention to him>*
<Several people start talking to each other in pairs, some turning away from the head of the table – there is a silence and general mumbling for 6 secs>

Bill: *<in a slightly raised voice> If we get an early answer, we might meet the project …. eh… recommendation. If we wait with a decision, there is a risk that we won't get it in time for 903. As it looks now, if we get a decision this week, the first shot sample can be delivered somewhere 820 – 830 <a hand gesture to mark uncertainty of that estimate>*
Somebody: Who is paying for F9QT?

Fred *<breaking in…. stressed by the prospect of time pressure this decision would put on his department?> That is the situation now, huh?*

Bill: *Yeah!*

Fred: *If we are forced with our backs to the wall – to say yes now – I don't accept anything! <expressive body language>*

Bill: *Okay <subdued>*

Fred: *<Obviously satisfied to have made his point, turns back toward his seat, hand in pocket. Then he turns and points toward Bill (finger moving downwards several times)> First you have a proper study of this and then you come in…. <with a request?> <Turning to his seat again>*
<4 seconds of silence>

Project Controller: *Who is the customer?.....Who wants it?.....Who asked for it?*
<3 seconds of silence>

David: *Quality asked for it! .....<body language> …. Bill thought you asked for it Erik! …. as the Market!*

Somebody: *This is part of F9QT?*

Controller: *No! It is …. <inaudible> …total sum forecasted (sic!).*

Somebody: *This is for the F9QT….. but it is necessary to get ……<unfinished sentence>*
<David stands up to take the overhead slide away from the projector. The meeting breaks down into several conversations between neighbours (23 seconds). After this moment of confusion

Caesar stands up from his seat, walks over to David and whispers something in his ear ("You have to cut this"?)>
David: Bill! I don't think we can….
Bill: You are not ready for a decision <bends over to pick up his notes and slides and leaves the head of the table>
David: I hope you understand…

<End of sequence>

Comment: When John (Bill's subordinate) had briefed Bill and handed over the OH slides the matter had been understood as a mere formality to be protocolled. It was all fixed by Adam, he said. It is just a formality. When Bill, during his 5-minute slot, showed the OH pictures, with a brief comment to get the formal decision, he was surprised by questions he was not prepared for. Being recently promoted he realized that this would be seen as incompetence by his colleagues. He was, visibly, stunned. The situation offered an opportunity for Fred to preach his gospel – don't accept late design changes! David – also new in his role – could not help since he had not been briefed (properly) by Adam. The matter was tabled. (Adam, on his return the next day, immediately submitted the order to the supplier – to program the appropriate robots in the Paint Shop – and took the decision to protocol in the next PMG meeting).

2.4 "Self-confrontation" interviews

Our fieldwork was focused on "real" managers dealing with "real" issues in "real time". So, the video excerpts, like the one described above, were shown to the participants (individually), a month after the real event, with the question "What is going on here?" We called this "self-confrontation" interviews. Quite often the answers from respondents were in the form of "accounts". Scott & Lyman (1968) define accounts as "repairs of problematic situations", which in our case had an influence on the selection of excerpts to play back to participants. They were made on the criterion that the episodes "stick out" in some interesting way – they require an "account" to explain them. These "accounts" were audio-recorded, transcribed, and analyzed.

Bill's first comment when he watched this video sequence was "This is embarrassing! But – OK – I learned a lot from this! To know who is paying is basic!" When he saw Fred approaching the screen and start preaching (again) about "professionalism" (to avoid late design changes), Bill said "I felt like a piece of meat dangling in front of a shark!" But Fred's argument did not impress senior members of the PMG, they had heard it before! In his mission to stop late design changes on Volvo's part Fred often referred to the practices of Mitsubishi. Good ideas should be saved for the next project and not be allowed to disrupt existing production plans! When confronted with this principle in an interview, Adam pointed out that Volvo is selling much more cars of this model at a considerably higher price – who is professional!?

Several of **Bill's colleagues** in the PMG started their comments with the fact that Bill was newly appointed as "system engineer" for Interior Design, and thus not used to presenting decision propositions. Also, it was more complicated to handle design changes inside the alliance with Mitsubishi, since the partner had to be informed and given an opportunity to include the change in their own model – and there was not yet any written guidelines for the development process under these circumstances. Hence you had to learn by experience. Some claimed, jokingly, that it is good for you to make a fool of yourself! That is how you learn "the ropes". One senior colleague expressed shame: "I am ashamed – like a dog! We should have helped him by asking the right questions!" It was generally agreed that this was a good proposition. "Testing" (the system engineer) said "In this case you don't need evidence in terms of reduced noise levels in decibels to see that this is a good proposal!"

Fred was not available for this self-confrontation interview.

David – also recently promoted – chaired a PMG meeting for the first time. It fell upon him to take the matter to protocol ("Tabled"). He regained his grip on the meeting when Ceasar whispered that this disorder must come to an end. His comments focussed on his own behaviour. "I cannot see how I could have acted differently. I was not informed beforehand (by Adam)!"

Adam, when shown this video excerpt, provided the background to the matter at hand (the tax incentives initiated by the Spanish government etc.) and said that when he returned from the HQ meeting, he had broken the rules and placed the order with the supplier, and taken the formal decision afterwards at the next PMG meeting. It was a good proposal in many respects and could not be delayed.

Comment: In this episode Bill is "surprised" by questions he was not prepared for. He was under the impression that this would just be taken direct to protocol, but now he was supposed to "explain" it all! He was shocked and never regained his "balance". David "saved" him by tabling the matter. By collecting "accounts" from many of Bill's colleagues, it was possible to determine that the "contingency" that had initiated the sub-project of adding an extra coat

of isolation material on the firewall of all cars was the new tax legislation in Spain. The central Quality department's alertness to this change had (probably) been stimulated by the expressed ambition of the pilot study for this third-year model of the new, small car in the model program of Volvo. The pilot study had upgraded the "car-to-beat" in comparison with the previous year model.[4] This had directed attention toward the premium values in this market segment – and hence, noise reduction. But an alert member of the "Interior Design" team had asked himself 'Why not apply this to all cars' (including those with petrol engines)? Adam, the project leader, saw the point in reducing noise for all cars in his project and could persuade Quality to take on the extra costs for the robots in the Paint shop. He told John to inform Bill about the necessary formal decision (before he left for the HQ meeting). John (probably) forgot to tell Bill that the extra cost would be carried by Quality.

- Bill was "surprised" (and stunned) when the project controller asked who was going to pay for the extra cost. (The controller was focused on his task to monitor the project budget.). But it was not so much the possible overdraft of the budget that "stunned" Bill! It was the impression of incompetence – not knowing how his proposal will be financed – his "practical identity" (Korsgaard, 1996), that worried him.
- Bill was further "surprised" when Fred (production control) refused to accept a late design change (anathema to Fred). His "lexicon of kinds" told him that "late design changes" disrupt carefully laid production plans. (Adam informed me that the proposal had been on Fred's desk the day before the meeting. Had he read it he would have realised that his planning would be simpler when all car bodies had the same insulation coat.)
- David realized that he would hurt Bill's "practical identity" by tabling the proposal, urgent as it was, but he could do nothing else since it was unclear how the extra cost would be covered. He had to think of his conduct of a proper decision meeting (his "practical identity").
- Adam broke rules when he returned from the HQ meeting, setting the proposal in motion first and protocolling the formal decision afterwards. His "practical identity" as a dynamic project leader would be enhanced.

Each "account" for the situation "makes sense" in the sense that each actor's behaviour is "explained" by the dimensions brought to bear on the situation by respondents in the "self-confrontation interviews". The accounts given provide "narrative truths" from varying perspectives. It seems futile to discuss a "real" (universal?) truth about the situation. Adam will claim that the car that went into production has a lower noise level and thus is more securely positioned in the premium sector of the market (practical identity: dynamic project leader). Bill will never propose an outlay again without knowing who will pay. The project controller demonstrated that he is alert to cost increases outside budget.

All the respondents were satisfied with the noise reduction (for drivers and passengers) that their project had brought. Bill's proposal was a good one! Most of them were probably not aware of the fact that the contingency that brought about this "adaptive response" stemmed from new tax legislation in Spain. They were more aware of the challenges to their particular "practical identity" (Korsgaard, 1996) their response carried with it. Those challenges were the contingencies their own "accounts" centred around – the contingencies they faced there and then. (This goes for those who were actors in the video sequence shown to them. They lived through the "double contingency" Luhman (1995) brings up. However, most of the participants in the meeting were not actors in the video scene and, thus, served as sounding boards of judgment on whether the actors behaved "professionally", i.e., improved their (general) "practical identity". Bill learned a lesson the hard way (one must know who is paying when one proposes extra outlays) but also has to work to (re-)establish his practical identity as a competent "system engineer". This will require his best efforts in the weeks ahead. (Colleagues jokingly pointed out that it is good for you to make a fool of yourself every now and then).

It is striking how all these accounts seem to make sense in their own different way although it is the same situation that is "accounted" for. How, then, does the team, collectively, arrive at a decision when starting in the uncertainty created by the "surprise" and building on different "understandings" of the situation? Obviously, communication is required, but how can a response in the form of an "adaptive response" to a signal from an organization's environment be achieved? Since the event caught on the video was initiated by a signal from the environment it seems natural to start from contingency theory.

[4] It was a tradition to mark the ambition level of the development efforts by naming a "car-to-beat" – to design a better car than that particular competing car.

3 Theory

3.1 Is a "Micro Contingency Theory[5] " needed?

The signal (tax change) event was snapped up by the Quality Department, which carried out a study of how the diesel engine version of the car model could be made more competitive by noise reduction. Our current car project heard of the study and offered to include it early to benefit from "beating" the market. It seemed only natural for our project to include the noise reduction change also in petrol engine versions. The Quality Department had accepted to pay for the necessary re-programming of paint shop robots…., and now the change got tabled (for a while) because Bill did not know who was paying! There were contingencies of all kinds here, and on different levels! Given that Luhmann (1995) points out that superior levels in organizations tend to reduce complexity by applying more general principles to the matter at hand (complexity remains on the lower level, though!), and in view of Kuhn's (2022) efforts to attack the incommensurability problem by shifting the level of detail in categories and concepts, it seems necessary to add (a) micro-level (-s). to the contingency theory area.

Contingency theory stems from industrial psychology and focused "initiating structure", orientation toward "task" or "relations" et cetera. Joan Woodward's (1958; 1965) studies of the relation between management and technology marked a new beginning. She found no stable relation between "span-of-control" and efficiency but came back with the results showing that different technologies require different organizational structures. Mechanistic vs. organic forms (Burns & Stalker, 1961) was a topic as was the matching of "differentiation" and "integration" (Lawrence & Lorsch, 1967). Chandler (1962) illustrated how the development of business in context tended to generate control structures to match shifting conditions in different activity areas (divisional form). Later (1977) he argued that there had been a "managerial revolution" in that control had been taken over by employed top managers, while the board of directors could no longer cope with the complexity of "big business". They must trust the managers. Thompson (1967) described the behaviour of organizations as the outcome of interaction between different competencies in dealing with the most important problem – uncertainty.

Crozier & Friedberg (1977), finally, criticize traditional bureaucracy theory (Weber, Taylor, Fayol) by claiming that it is not possible to control from the centre by rules that are implemented in accordance with (abstract) intentions. Employees are "strategic actors" who always have space to further other interests than those of central management. Different parts of the organization must always adapt to the consequences of this. The organization (as a system) is dependent on the actions of individuals. It is not the organizational rules but the interaction of its actors that determines outcomes. The "strategic analysis" of organizations should therefore see this interaction patterns as networks where two components are at play; 1) "regulating relations" (specifying the "official procedures" to be followed), and 2) alliances (consisting of "others" that an actor may rely on for help, and thus, forming networks overlaying the "formal" organization). Uncertainty areas emerge as consequences of: a) external events, b) unforeseen events, c) events not covered by formal rules. But organizational members are not passive in relation to these uncertainties – they are in fact part of their "normal" environment – and those who are good at handling them (functional skill, control over information flows [external and internal], etc.) gain power since their (own) behaviour becomes unpredictable. (Others watch them, or ask them, for clues as to what to do now.). These "overlay" networks represent a "community" dimension in large organizations, which is present in the exposition given above.

Most prominent of these networks are those upholding the professional discipline that comes with each member's ongoing development of professional competencies ("practical identity"; Korsgaard, 1996).

3.2 Rationality and multiple logics

Rationality, as we know, is only applicable in "reality" – the part of the world where our current concepts and analytical tools apply. A complication with this view is that rational arguments cannot be used for moving a new variable/factor from the "world" into "reality". Then you must use ideological arguments (Boltanski & Thévenot, 2005; Geertz, 1973). The generator of such arguments is a narrative that "frames" (provides context for) them (Goffman, 1974) and contains "keys" that may link the arguments across frames. My argument is that "accounts", defined by Scott & Lyman, 1968) as "repair of problematic situations", provide an empirical tool for investigating how management teams arrive at common improvement action.

[5] Relating here to Woodward (1958, 1965) and the extensive literature that followed.

3.2.1 Surprises open for dialogue on common understandings

Surprises falsify expectations and initiate a demand for explanations. The pragmatists in Cambridge discussed this intensively at the turn of the last century (Misak, 2016). The surprise might be due to a faulty conception of the world, or simply to miscalculation. The problem is that we do not know. The pragmatist solution to this is to start from the observation (a fact) that caused the surprise and try to explain why it happened. Misak (2016, p. 41) defines the kind of reasoning (sometimes called "abduction") as:

> *"A surprising fact, C, is observed.*
> *But if A were true, C would be a matter of course.*
> *Hence, there is reason to suspect that A is true."*

It starts from the fact ("C") and seeks an explanation ("A") to it – if A were true then C would follow. The explanation, A, needs to consist of two parts – "sense-making" (recognition of the fact C), and "meaning-making" (providing arguments, related to A, for action in context) – to serve as a basis for action. The problem in an organizational context is, as Thompson (1967) points out, to decide what to do now. So, the explanation is generated in a context of uncertainty and must deal with means as well as ends – and time is short.

3.2.2 Sense-making (Weick, 1995)

The first condition to be fulfilled is to recognize the fact C – otherwise no explanation is required. The explanation needs to be "causal" if it is to justify action (change of procedures). Since the observed fact ("C") represents a falsification of our current expectations, it means that "the cause" must be sought outside "reality". Therefore, the explanation must be rendered in the form of a narrative[6]. And, since the explanation must be valid inside a particular organization, it needs to be cast in terms of that organization's responsibilities, rules, values and sanctions (beside the operational [physical] facts). It needs to be communicated. Here the "linguistic turn" in social sciences enters the scene! Communication has organizational effects, and it is the recipient of the message that decides its meaning (Cooren, 2000; Wittgenstein, 1953).

Since the observed fact is surprising, uncertainty is at a maximum. The natural thing to do, then, is to ask a trusted member of the organization (a mentor?) "Do you see what I see?" The answer might be "It looks like a swan, but it is black!?"[7] One often uses metaphors in communication to approach a plausible explanation to the surprising observation. By going into details on the cause-effect relations surrounding the surprise one can construct an "explanation" to it. That explanation is a narrative that makes sense of the (surprising) observation. Once a "narrative truth" has been established the factor(-s) constituting the trustworthiness of the explanation can be imported into "reality" for further testing of "factual truth" (in accordance with the scientific method, Popper, 1963). This will require a shift from "thought" to "action" which includes engaging other members of the organization (with different competencies) in collective action nets to achieve a desired outcome. This problem – shifting from "thought" to "action" – has been dealt with by people like Adam Smith (1759, p. 11) – "To approve of another man's opinion is to adopt them, and to adopt them is to approve of them" (Smith uses the concept "sympathy", fellow-feeling, in this connection.) Hartmut Rosa (2019) uses the concept "resonance" in a similar manner and defines it (p. 174, emphasis added) as "Resonance is not an echo, but a responsive relationship, requiring that both sides speak with their own voices." Both these authors stress the integrity of participants required to achieve successful collective action. This is achieved by "meaning making".

3.2.3 Meaning making (Cooren 2000; Goffman 1974; Korsgaard, 1996)

With an orientation towards action, meaning is achieved by providing a purpose that justifies an operational 'action net' to produce the intended result. In an organization of any size this action net will be constituted by contributions from several areas of competence. Hence the need for a narrative that connects (Goffman's "keys" in 1974) to those areas.

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[6] "Rational expectations", for example, fall inside reality and are deductions "given" that reality. The surprising "fact C" can, of course, be caused by "miscalculation", but then the explanation "A" would be that somebody caused the miscalculation by being incompetent (not keeping to the rules of deduction inside "reality").

[7] This is how Kuhn (2022) sought a solution to the incommensurability problem in science (lack of communication between paradigms) – by breaking down observations into sub-categories. The result of the observation of black swans in Australia was for ornithologists to downgrade "whiteness" as a descriptive term for the category "swan". ("Adaptive response!")

Those "keys" may be used in the re-framing work by some members. Members in a team of managers need to "see" whether his/her argument "connects" with the other's thinking by way of their reactions.

Cooren (2000) provides a template for how we understand each other:

- *Manipulation* (something starts the narrative; somebody "wants to" or "has to")
- *Competence* (somebody assembles the tools and skills required)
- *Performance* (somebody carries out the required actions)
- *Sanction* (somebody gives reward or punishment as a conclusion of the narrative)

If some moment is missing, we fill in reasonable assumptions based on metaphoric applications of earlier experiences to complete the emerging narrative, [8]and when it "fits" the situation we are ready to act – we have overcome uncertainty.

The pragmatists (Misak, 2016) argued that the process of inquiry – seeking sense as well as meaning – is driven by doubt (uncertainty, not "risk" in a mathematical sense) and ends with a willingness "to act on this information". This shift from deliberation to action has an important role in management since actions make a person's intentions available for judgement by others – it reveals our "practical identity" in action. It has effects on people's opinion on us. This is where responsibility starts! Korsgaard (1996), in her lectures on the sources of normativity, calls our preoccupation with who we are, what other think of us, and whether our actions are "appropriate" (March & Olsen, 2009), our "practical identity". She describes that concept (p. 101) as

> *"a description under which you value yourself,*
> *a description under which you find your life worth living,*
> *and your actions to be worth undertaking"*

Heavy stuff! Because, since we have a "free will" we are responsible for the consequences of your actions. We all struggle with the problem that the only way to find out who we are is to act and register the reactions of others – which Searle (for instance, 2001) discusses in several texts. This is why mentors – persons with experience and benevolence – are so important in our life!

In a complex world, people need to be specialized into knowledge areas (e.g., professions) and, in addition, be able to communicate across logics. This makes our own work with our "practical identity" difficult. The arguments that justify action (Boltanski & Thévenot, 2005) must "connect" across "paradigms" (Kuhn, 1962; 2022) since a change from routine action to a better version presupposes "re-framing" (Goffman, 1974) for some members. Goffman calls the "connectors" between frames "keys" and illustrates with a scene from the Zoo:

> *Child: Look! The small otter is attacking the big one!*
> *Mum: That's all right, dear! They are playing"*

In that exchange the word "playing" serves as a "key" to a different understanding of the scene for the child (re-framing).

What characterizes this re-framing in an organizational setting has been described differently over time. As mentioned, Adam Smith (1759) uses the concept "sympathy" in his reasoning toward the two-sidedness of morale – to be respectable as well as respected at the same time. Rosa (2019) uses "resonance" not an "echo" but as part of a "responsive relationship". It is here that "accounts" – narratives with arguments – achieve the property of being persuasive and having organizing properties (Cooren, 2000). That is why we should study "accounts" by several people participating in a meeting to capture "clues" that can bridge preoccupations with "practical identities" in organizations.

4 Conclusion

If one accepts this (admittedly vague) description of how individual thoughts are transformed into concerted collective action in organizations, it is obvious that communication plays a significant role. For our research efforts to be relevant to the conduct of management (real time!) we must capture the communication itself as well as the participants' struggle with sense- and meaning-making (here and now!). I propose that video-filming meetings and using excerpts of that film to elicit "accounts" of participants' understanding of situations is a useful method even if it "just" generates information on "particular" situations. It is time-consuming and there are obvious problems of discretion involved. But if we are to understand managerial control in large organizations, we need to be able to trace how sense and meaning

[8] The same frame of reference can be found in most police forces - "Motive, means, opportunity" – with the missing "sanction" represented by the judgment of the "case" (and supporting evidence) in court.

are allocated and expressed throughout the different levels in organizations. It is Luhmann's (1995) "double contingency" mentioned above, consistent with Korsgaard's (1996) "practical identity", which requires a use of multiple accounts of the same situation! And to avoid differences caused by memory loss etc. we need to use video excerpts from real meetings as stimuli. Adam Smith's (1759) solution – that we should ask ourselves, "what should a person like me do in a situation like this?" – advices us to do "the right thing" based on general principles. But this only deals with the "practical identity" problem of the individual, and not with how to achieve action nets across paradigms in large organizations.

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