

Management as Deliberation

On How to Get Things Done

By

Sten Jönsson

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This book first published 2023

Ethics International Press Ltd, UK

British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

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Print Book ISBN: 978-1-80441-298-5

eBook ISBN: 978-1-80441-299-2

Table of Contents

Preface.....	vii
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Part I. Preliminaries

Chapter 1: Management in context.....	1
Chapter 2: Plan of attack.....	21
Chapter 3: Illustrations from the life story interviews	24
Chapter 4: My own experience in researching complexity and time	52

Part II. Reflections on the role of moments of truth in managerial deliberation

Chapter 5: Two main dimensions – complexity and lack of time	73
Chapter 6: Management as deliberation – when context matters ...	76
Chapter 7: Inside the corporation looking out	124
Chapter 8: Coherence and inference to the best explanation	132
Chapter 9: Working with words for a greater good – a new understanding of rationality required.....	146
Chapter 10: The “system” that selected the respondents for promotion to top jobs.....	160
Chapter 11: Is “management culture” possible?	175
Chapter 12: What can culture do? Achieving ambidexterity	180
Chapter 13: Mentorship, control structures, and changing contexts	190
Chapter 14: Pragmatism: The essence of getting things done.....	200

Part III. Concluding remarks

Chapter 15: What does this mean for management as
deliberation? 225

Chapter 16: Life stories and their “moments-of-truth” – on the
validity of these findings 234

References 248

Preface

This is a book about the complexities of getting things done in large corporations. The better “normal” operational routines function with their standards, performance measures, compliances, and complacencies, the more difficult it is to initiate and implement improvement work. Even to discover that there is a need - that an assumption on which those routines are based no longer is valid may be well-nigh impossible, since so much information is filtered through all-encompassing “integrated information systems”. One should spend some time philosophizing about the difference between “data” (represented in “0”s and “1”s in computers) and “information” (given meaning by responsible members of organizations in changing contexts). Managers give meaning to data, whether it comes from attentive observations of contexts or from printouts from computers.

We are witnessing yet another historical rupture in the dominating view of society and its management. We have known since centuries that markets as well as democracy hold in them the seeds of crisis and even self-destruction. Wise men have been preoccupied with the design of remedies since Plato condemning the inroads of democracy in Athens proposed a Republic governed by “Philosopher Kings”. As a counter argument to Mercantilism and the Berlin School’s focus on making effective use of the nation’s resources Carl Menger (1871) proposed that economic judgement should start from the individual’s desires and beliefs and focus on utility maximization. This gave rise to the Austrian School in economics. It moved from Vienna to Chicago in the 1960s, supported by a growing group of economists moving out from the private seminars at the Vienna Chamber of Commerce under Ludwig von Mises’ leadership, via Mont Pelerin, to Geneva and other places

where world trade and the free movement of capital is regulated. They are called neo-liberals nowadays - derogatorily. But they were driven by the best intentions of protecting trade, economic progress, and the well-being of everyman from destructive interventions by imperialists and monopolists. Slobodian (2018) writes about the ambition to “encase” international trade and capital by supranational regulation to protect those activities from short-sighted politics. None-the-less Margaret Thatcher, with her “Big Bang” tried to restore London at its former glory as the centre of the financial world in 1986. We cannot say that this “caused” the financial crisis of 2008, but it certainly did not help to prevent it. Again, a rhetoric about owners (“the market”) could govern large corporations toward efficiency, quality (and sustainability?) evolved. Economic growth would benefit everybody as it “seeps down” to the less wealthy – if anything it “seeps up” Piketty (2014) tells us.

And that rhetoric has been very successful! The regulation of economic affairs has increasingly been transferred to supranational institutions, economic and legal arguments complement each other as actors in financial markets find new tax havens and channels to transfer money to places where there is profit to be made outside the reach of national governments. More than half of the world’s largest economies are corporations today. (60 out of 100 Fleurbaey, et al. (2018) tell us). Most nations of the world are smaller than the largest corporations. Chandler (1977) told us that we have had a “managerial revolution” – the “invisible hand” (the market) of Adam Smith (1776) has been replaced by the “visible hand” of professional managers. One might wonder what kind of people are placed in these positions, and how they go about doing their jobs as “visible hands”?

How are these business leaders selected for such jobs with more responsibility for the welfare of others than most politicians? What

(and when) do they learn as they progress through the ranks? What principles of management do they cherish today? What are the most difficult problems? It is difficult also for the researcher to even get an appointment for an interview, and much less an open-hearted account of how they got promoted and what they have learnt. These top managers are public figures, and any leakage of information will be picked up by media. This makes things somewhat difficult for a management researcher, but interviews with the selected few that I have carried out (sometimes together with others, like Anders Källström and Richard Jönsson) have in general been very agreeable. Top managers like to talk about principles and their roots in practical experience.

This preoccupation with practical facts I initially took as a method they used to persuade me, an academic who has only seen the inside of libraries (they thought) or as a concession to my request to focus their “life story” account on “learning events”. But after having spent many hours trying to trace the ‘logics-in-use’ in the about 1600 accounts of such events that I collected – with little success – I have found another approach to the drawing inferences to “the best explanation” from “surprising observations” that was so frequent features of the accounts of learning events in the interviews. Pursuing the roots of pragmatism, praxeology, even neoliberalism I found myself confronted with “founding fathers” of those thought models in, first Vienna, and then in Eastern Europe not least L’viv in current Ukraine.

“Thinking in orders” as one current historian of Neo-liberalism (Slobodian, 2018) labelled it, is a natural way of approaching a problematic situation with extreme uncertainty. How can some (new) order be restored from this chaos? Slobodian maps how neoliberalism emerged from and adapted to three ‘ruptures’ in social organization in the 20th century (First World War – demise of some empires; the Economic Depression after the financial crisis of

1929, and the ‘revolt of the Global South with the oil crisis of the early 1970s). This was the important “ruptures” that cleared the way for neoliberal thinking as we know it today, but there were important roots earlier in Eastern Europe dominated as it was since centuries of landed aristocrats with enormous latifundia and slave-like labour producing grain for a growing Europe. A growing bourgeoisie in the Polish-Lithuanian Commonwealth (Butterworth, 2020) managed to get a decision through the Sejm on the new constitution of May 3, 1795. It was an enlightened “rule-of-law” codex that was considered an embodiment of the spirit of the Polish nation. Catherine the Great of the Russian Empire would have none of it and set the 3d Partitioning of Poland in motion, thereby eliminating a nation (for a while).

The First World War eliminated two empires (Russia and Austria-Hungary) and that “rupture” faced economists with the unsolvable task of proposing how small German-speaking rest-Austria could be made competitive in a post-war world economy. The Austrian School economist following their ideologue Ludwig von Mises, several of them educated in Law and Economics, used praxeology and deduction rather than empirical studies to define economic (design) principles. Watch the practice of efficient action, the praxeologists said – when humans engage in action it implies that they have preferences, and that is true for anyone who exhibits intentional behaviour. True that markets were “unknowable”, but institutes of business cycle research were set up in most countries between the two World Wars. The “invisible hand” could be traced, just like the weather, the “barometer” metaphor came into general use - with the right indices that only economists could understand properly. Mises, Hayek, Kotarbinski, and Lange all stemmed from Eastern Poland and Ukraine (L’viv) where uncertainty about future economic conditions were maximal. You had to rely on praxeology and deduction to solve the complex design issues (after ruptures), and economists should give policy advice to governments. That was

in my opinion, and that of Slobodian (2018), the roots of neoliberalism, which has such strong currency today. I will deal with this issue of “clarity-of-thought” in complex circumstances extensively in this text (about how to get things done in large organizations). But already at the end of the 1930s neoliberal economists had started to abandon the idea of prediction and focused on regulation of the markets to save them from the volatile interventions from elected governments.

One might wonder whether there has been another “rupture” between the two series of interviews (1990) and (2020) on which this text is based. There has been extensive digitalization of much of the information provision for managers (several of the 2020 respondents complained that they have little use for the outputs of “integrated information systems”, and there is a debate on machines can be made to think like us (Larson, 2021; Zuboff, 2019)). The EU has established an “inner market” and increased its regulation ambitions, and there was a financial crisis 2008, just to name a few. The context is more complex now and there is less time to ponder governance issues while corporate raiders and a variety of finance market actors take “positions” in shareholdings and other financial instruments. And then there is the strong political pressure to demonstrate care for “sustainability”. Under such complex circumstances it would not be surprising, would it, to find that leaders of large corporations tend to start their deliberations about improvement initiatives from observed facts (“surprising” or not) and communicate their “inferences to the Best Explanation” to the organization at large, just like the Pragmatists that were established in Cambridge at the same time (Misak, 2016) between the wars. In this way the world views current at the time are present in deliberations on the meanings (rather than the “truth”) of current events and on what is the best action now.

It has been a long, roundabout, path to arrive at the conclusion that “my” leaders of large corporations are “meaning-givers” and communicators of new ways of understanding their business in changing contexts. That means that **their business is deliberation**. Since they must assume responsibility for the practical consequences of what they work with, conceptions rather than concepts emerge in accounts. Deliberation understood as an activity of giving meaning in context.

As an academic it comes natural for me to think in terms of **concepts**. “Return-on-investment” is a concept that is defined by the way it is calculated. Since I know how it is calculated I can be sure that 12 % is better than 6 %. The practicing manager judging a proposal to build a production plant in Indonesia must base his judgment about whether to go ahead on a **conception** of the project in many more dimensions, some important others less so. Calculations can only cater for part of the assessment. To justify the final decision the manager – or rather the team of managers – will have to produce a narrative describing the role of that plant in the entire system of production units, supply chains, development options, sustainability concerns and political contexts. (The academic will say: Of Course! All those aspects are included in the calculated 12 %! My response will be: Show me how!)

A conception is a conglomerate of facts, aspects, values, and reasons that, together (since they “make sense”) justify setting this singular project in motion by a formal decision (in context). Frequently managers do not have enough time to produce a complete “sense” of the project. It might even be an advantage to have an “open-ended” narrative that presents the project to others so they may complement the description themselves, to makes sense for them. Some of my respondents have told me how the complexity of a project made them hesitate over the best way to present it to the board. If it is too complex, they might reject it. After all, it is a

reasonable principle for board members to only accept projects they understand. Better present it in digestible parcels!

Time is problematic. Of course, one can “extend” time by prioritizing and deal with the most important issues first. But ‘getting things done’ has an automatic focus on “now”. Picasso supposedly said that the only reality is “now”, and that life is an extended “now”. He has a point!

The main problem with this text has been how to present the complexity in a simple way. I have arrived at the conclusion that the best solution is to present it as a number of “reflections” introduced by an “ingress” that gives an illustration from the “life stories” I have recorded. I am not sure that my arguments are right – I remember the good old days when I did mathematical modelling and was quite sure of my conclusions – so I leave it to the reader so connect the dots. For me it seems right to conclude that management consists of two parts; the one we always talk about decision making and management control to see to it that plans are followed, and targets met, and the other that attends to those occasions when expectations (based in beliefs) fail – surprising observations - and must be explained and repaired by improvement work. (The second form must be prioritized with increasing complexity).

The text is structured into an introductory part where the interview material is presented and my own approach to managerial studies over the last few decades is described. Then comes a set of “reflections” on aspects of management that make it difficult. A final part draws conclusions about what this means to the nature of management as deliberation.

I am indebted to many people for help with this, seemingly, last book in my academic career. Anders Källström was an important partner in the 1990 interview series. Richard Jönsson helped with the

2020 one. I am grateful to the members of our little seminar group at GRI, Airi Rovio-Johansson, Gunnar Wahlström, Mikael Wickelgren, Roy Liff, that allowed me to bring up “semi-confusing” thoughts again and again and gave constructive suggestions.

I am grateful for the support I have enjoyed in the form of grants from the Handelsbanken Research Foundation (the Jan Wallander and Tom Hedelius Foundation) over many years. That support continued as I got the idea to repeat the 1990 study 30 years later and applied as emeritus. Thanks!

Thomas Polesie has encouraged me with many extended phone conversations about all kinds of “surprising observations” of the world situations and the correct way to evaluate company performance.

Help with getting the final manuscript into more readable shape by Marion Shirley Söderström is greatly appreciated!

Sten Jönsson
Göteborg, 2023

Part I

Preliminaries

Chapter 1

Management in context

I believe I have discovered some extra dimensions of organizational culture that follow from the need to deal with increased complexity and shorter time for deliberation. Beside the normal management control with regard to performance according to plan or budget, there is a different logic at play when managers in large companies detect a “surprising fact” that starts a process of improvement. The logic in these cases (most of the learning events in my empirical material) is of the kind introduced by Peirce (1903) – one of the fathers of pragmatism – as “abduction”:

“The 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”

Think about it. In this case, deliberation starts from a fact ... to be explained. Our usual logics have other starting points (Induction, in historical data; Deduction, in assumptions – as in syllogism). The stories I have been told about successful improvement initiatives all start with a fact, not with a hypothesis to be tested. Top managers in our largest corporations seem to apply this way of approaching uncertainty – reasoning that starts with a surprising fact – throughout their career. Having analyzed all the interviews again and again, I believe that this kind of reasoning characterizes management deliberation under conditions of complexity and lack of time. This book is an argument showing how I have arrived at this belief.

We cannot even “explain” consciousness (scientifically)!

To illustrate the sense of this claim let me borrow from Searle (2001, p. 97f.) on the mystery of consciousness. He is debating Edelman's (1983) speculations about what it would take for the biological matter of the brain (neurons firing, storing memories, distinguishing self from non-self, etc.) to produce something called “consciousness”, and invites the reader to pinch the left forearm with the right thumb and forefinger. He describes how a signal goes from the receptor nerves of the skin via the spine to a region called the tract of Lissauer, and then into the thalamus and so on. Then what happens? We feel a slight, uncomfortable pain. That feeling is called qualia, and according to Edelman and Searle it is not possible to explain how it comes about by scientific methods. The feeling of pain, the joy of scoring a birdie in golf, or the shame of forgetting Mum's birthday – consciousness is an emergent property of the nerve system that humankind cannot explain, yet. But we all know it is there! Qualia! The issue of how matter becomes imagination (Edelman & Tononi, 2000) evades us.

There is not much point in going into detail. Edelman & Tononi (2000) summarize how the structure of groupings of neurons are selected (somatic selectionism) at an early age for specialized functions and claim that a primary consciousness requires a large volume of re-entry between these functions to emerge. Then there is the binding problem of how these functionally specialized neuronal groups interact – some more strongly than others – (multiple drafts?) to form an attention-directing and integrating dynamic core that generates the sense of redness (if a red object is observed). This is a controversial theory that cannot, according to Edelman himself (Searle, 2001, p. 49) yet be proven or disproven. But it speaks to my imagination. Just think about it. (Organizational culture?)

- The brain/body selects the neuronal groups that “work” (Find the right people.).
- These groups interact intensely (a large simulation) to direct attention and integrate findings through re-entry processes (I think of multiple drafts).
- But then there remains the problem of when to stop iterating. Could that be by way of social sanction? (Talk to your mentor?)

As I said, this is a controversial theory that is debated within its academic discipline, and so should not be transferred lightly to another discipline – like organizational studies – and with the unreliable data that I have, in the form of accounts of learning experiences; I have no proof.

Still, it does not seem too far-fetched to transfer Edelman’s conception of what is required for the billions of neurons in the brain to produce something that we call “consciousness” (and they do!) in an organization. In both cases, the key factor is communication – re-entrance. Not only does a signal enter different destinations, it also initiates resonance signals, which Edelman stresses is not feed-back; the signal does not necessarily return to the originating source, which means that it may have effects on other neuron groups, etc. Processing of signals takes place in many places and there is resonance in many places.

A first necessary condition for such a transfer would be that the organization is organic, as opposed to hierarchical. Information or signals would have to be able to travel criss-cross over the structure. The discipline and predictability (for which we usually have hierarchy as a tool) then needs to be located in the individual member of the organization (individual ethics, and membership). That individual member also needs to be true to their “practical identity” (as competent in a certain area) as well as be loyal to the

organization's aims. Further, most signals need to be given meaning (in context), which requires interpretation, which in turn, genders uncertainty. Deliberation is called for to reduce uncertainty and work out a plan of action. Then it is a good thing to have someone with whom to bring up the matter of the uncertain observation ("Do you see what I see?"), to discuss relevance and possible action, before going public with a proposal or warning. This trusted person is someone who has earned your trust in earlier conversations – a mentor. With the mentor in focus, we can calibrate our practical identity (Korsgaard, 1996) as a contributing member of our organization.



Figure 1. *Dimensions of Practical Identity*

Comment: There is little purpose in drawing all the possible connections between these aspects of practical identity.

Going public with an observation or proposal is a major event for the individual member, who hopes for praise, but risks failure, ridicule or criticism

We manage our organizational responsibilities by giving "accounts".

- Accounts – a diversified research area.

Buttny (1993) gives an overview of the literature on accounts research. The academic study of accounts as a phenomenon can be said to have started with Scott & Lyman (1968), who defined the

concept as “talk to bridge the gap between actions and expectations”. Buttny finds other understandings of the concept in different literatures:

- As descriptions or ordinary explanations
- As part of attribution theory (not only descriptions of what happened but also what caused it)
- As part of ethnomethodology (how persons present their activities to render them sensible or normal)

In much of the analysis, the use of accounts serves as excuses or justifications. But, possibly after Wittgenstein’s (1953) language-games gave rise to a linguistic turn in several social science disciplines, narratives came into focus as tools for (ongoing) constructing and re-constructing social relationships, or even a life story (Fisher, 1987; Sarbin, 1986; Gergen & Gergen, 1983)). Buttny (1993) describes his own approach as a “Constructionist Analytic Constructionist Perspective” and gives advice on methods.¹ A subtitle in the Introduction is “Accounts as a Re-presentation of Action” (p. 4). It should be noted that what Buttny describes is a gradual shift, also in methods, from capturing “the truth” towards a focus on “meaning”.

In my analyses of the life stories of prominent industrial leaders, I have arrived at a focus on accounts of surprising observations that led to improvement initiatives that the respondents claim they learned something from. This fits well with the Scott & Lyman (1968) focus on the “repair” perspective in accounts; accounts explain problematic situations. Such explanations are required to maintain the social bonds of organizations or society.

¹ I have applied some of them myself in Jönsson (2004) in analyzing recordings of debates in a car development project.

Throughout this text I have used the label “narratives” and claimed that narratives have a typical structure (Manipulation, Competence, Performance, Sanction) that also serves as a template when we try to understand each other in communication (Cooren, 2000). This understanding of the nature of narratives is helpful when coding accounts of learning events inside life stories, for example on logics-in-use or in the development of practical identity.

In sum: My aim in this text has been to analyze the life stories of our most respected industrial leaders with a focus on learning events (narratives about situations where they learnt something about good management), and how they reasoned that this was a significant situation. But a warning is required! The stories as they are told are always greatly simplified narratives about a complex situation and how they were resolved. I think it is a good idea to return to the case of the firewall insulation in Chapter 4 here (again a narrative) for illustration:

The nature of complexity and lack of time

The case concerns a team charged with developing a new automobile model.(More details will be given in chapter 4.)

Spain had changed its tax regulations in a way that could be expected to favour diesel engines, which were considered more environmentally friendly at the time. This was expected to have the greatest effects on leasing and company cars. The Quality department had started a project to maintain the premium standard of its cars by reducing the level of noise that reached the passenger compartment through improved insulation of the firewall (between the engine bay and the interior). John, a member of Bill’s group (Interior Design), had picked up the news from the Quality department. He had proposed that the new firewall insulation for diesel varieties of the model should be extended to all engine

versions – it would just be a matter of ordering the required CAD work from the supplier. Reduced noise has a value for all cars in the premium segment. John had proposed this to the project leader and been given the go ahead. The cost was outside the project budget, but John (obviously?) knew that Quality had agreed to take the cost in their budget. But he did not inform Bill about this when he briefed him just before the PMG (Project Management Group) meeting. It had all been cleared, Bill was told. It was just a matter of recording the decision in the minutes – a formality. “It’s all on this overhead film,” he said. “If we take the decision today it will save weeks.”

Then, at the meeting, all hell broke loose.

First, the person taking the minutes asked if this was the first time this issue had been brought up. (That was an easy one for Bill; “Yes, it’s the first time.”)

But then the Project Controller asked who was going to pay, and Bill realized that he had not been properly briefed. So he asked who wanted this information and who had ordered it. (It was Quality, but the Quality department’s representative was not present at the meeting.) The meeting lost its direction, and participants started talking to their neighbours about possible explanations.

When the video clip from this incident was played back to the participants individually, most put it down either to Bill’s inexperience (he had been appointed as the responsible engineer for Interior Design a few weeks earlier), or to procedural issues. There was also mention of the fact that the presentation did not include any indication of how much the noise level would be reduced.

Fred, who was representing Production Control, and was a sworn enemy of late changes in projects since they tended to disrupt supply plans, not to mention the design of the production process (tooling, etc.), saw this as yet another example of the development team’s

laxity when it came to the actual consequences of design changes. This was an opportunity to teach them proper project management – how to keep to the task of realizing the design given by the pilot study. The commotion served as a “key” (Goffman, 1974) for him.

Greg, the deputy project leader, who was chairing the meeting (the project leader and Quality representative were at a strategy meeting at HQ) argued that he had not known about this firewall extension beforehand (the project leader had not told him, and this was his first time as chair; he had also been appointed relatively recently). He claimed that there was not much he could do but adjourn the matter.

When the matter was brought up again at the next meeting, two weeks later, it took just seconds. “Agreed! Agreed!” The formal decision was taken *ex post*. The project leader had already placed the order with the supplier. There was no time to lose.

What does this illustrate?

1. There was a surprising observation (the Spanish tax legislation had been changed to favour diesel engines) the consequences of which needed an explanation.
2. Initiatives were taken to reduce noise levels quickly. Part of this would be to include the change in this project, even if it was not in the pilot study or budget.
3. Bill was briefed about the need for a formal decision to include the change in the project. Although it had been cleared with the project leader, it had to be recorded in the minutes, since it meant a new cost (payment to the supplier).
4. Several members of the project group started to ask questions from the perspective of their competence, which Bill could not answer.

5. The starting points of the narratives of explanation (accounts) given when members were shown the video clip were Bill's competence, new procedures, the view that a premium brand must reduce noise, and other circumstances.
6. In retrospect, one wonders if Greg could have adjourned the meeting, made a phone call to the project leader, and cleared the matter in a few minutes. But Greg did not mention that option; perhaps he did not want to risk being seen as incompetent. Adjourning the request was the correct thing to do.

This illustrates how many dimensions are aroused by a "fuzzy" presentation and how members of the project grapple for keys and apply their specific competence to clarify issues that emerge as they assess the situation. It also illustrates how key people in an organization (in this case Quality, project leader) hold information that is not readily available to others. Greg was right in judging that further communication between those present in the meeting could not have clarified matters.

Is this a normal situation for a team trying to solve complex (or simple) problems? This is hard to prove, but it has certainly been a common characteristic in the university committee meetings I have attended in different capacities during my 40 years there. Now and then debate or deliberation was stopped in order to exert power, usually with reference to a lack of time. Sometimes the person leading the meeting had such authority that questions and debate were postponed until more intimate meetings (gossiping).

On being a constructivist

Consider the research traditions on accounts (Buttny, 1993), where a new start comes with the article by Scott & Lyman (1968). The main conception of the phenomenon is that it is a matter of "repair of a

problematic situation”.² The field of study of accounts diversified and found expressions in several disciplines, due particularly to the fundamental influence of Wittgenstein’s (1953) introduction of the contextual positioning of accounts into language-games and “forms of life”, generating a linguistic turn in the social and humanistic sciences.

We now know (?) that the only way to find out who we are (Grice, 1989; Cooren, 2000) is to act (or just talk) and “read” the reactions of others to our action. To avoid a negative reaction, we feel that we need to give an account that may justify our actions. It is problematic that we are dependent on others in this way. But we must work on our practical identity all the time. We do that by communication and deliberation.

- Deliberation includes constructing accounts – before acting or communicating – of what the situation is and what action is proposed. This requires statements of facts, competences and reasons that fit together. This means that statements of facts need to be related to normative statements. It also means that statements must be persuasive for others as well as for the speaker. A first requirement for a proposed action is that there is a fit between action, facts and competences (including resources), but there must also be a fit between the intended consequences and the aims of the organization. Here it is useful to remind ourselves of the “desire-independent rationality” proposed by Searle (2001).

² Never mind that accounts have ancient roots. The Clay Tablets (from 2000 BCE) found in Mesopotamia were mainly accounts, the Hammurabi code (about 1700 BCE) regulated accounting among other things, and ancient Egyptian accounting records go even further back in history (Ezzamel, 2012), not to speak of Paciolo’s (1494) presentation of double-entry bookkeeping.

- Speech acts have a direction of fit, either word-to-world or world-to-word. The word-to-world fit concerns the truth of the statement. When I say “It’s raining,” the other person can look out of the window and check whether my word agrees with the state of the world – that my word fits the world. Boltanski (2011) would do a truth test in this case.

When I make a promise, I commit myself to changing the world to fit my word. “I’ll see you outside the cinema at 7 o’clock,” means that I commit myself to changing the world (moving my body to the cinema) so that it fits my word. This commitment, which is included in every statement, binding the speaker to the receiver of the message, is the centre piece of Searle’s rationality concept. We should take it seriously, because for organizations to prosper it is essential for members to trust each other’s commitments. That commitment enables us to build social capital as well as practical identities. Note that the meaning of fit in the “direction-of-fit” used in speech act theory differs. If Carl claims that it is raining and I look out the window to check and find this to be true, the statement is categorized as a fact. But if Carl promised to meet me outside the cinema at 19.00 and turned up at that time, it means that Carl is someone I can trust. In deliberation, the fit might be to a whole frame of reference (Goffman, 1974). But note what Russel (Misak, 2016) claimed about beliefs: many of our beliefs are not available to us until the expectations they give rise to fail. We have made a “surprising observation” (pragmatism) and need to work out an explanation, which may require “repair” of the frame of reference.

This is done chiefly by asking questions: “Do you see what I see?” When the child points out that the small otter is attacking the big one at the Zoo and is told that it is all right because they are “playing”, a re-framing takes place. The key (Goffman, 1974), playing, helps the child to a new, enjoyable understanding of the situation. But most of the time an observation is dismissed because it does not fit the

current frame. It is not “relevant” (If it is relevant but problematic, there is a difference between the “is” and the “ought”.) This is determined by Boltanski’s (2011) reality test. Boltanski distinguishes between reality, which is that part of the world that we can deal with rationally using our current definitions, variables, vocabularies and rules of logic, and the rest, non-reality, because we don’t have the words to describe and analyze it, is “the world”.

The problem, when we realize that an observation as important but irrelevant given the current frame of reference, is that it seems we can only use non-rational arguments – rationality only exists inside a frame – to import the observation into “reality”. So we need non-rational arguments: ideological arguments (Geertz, 1973) or emotional arguments. This must be included in our deliberations. Before we start using emotional or ideological arguments publicly, it is a good idea to have a mentor who is willing to listen and ask pertinent questions to build an argument that can persuade the organization at large. Boltanski (2011) calls this kind of test an existential test. The importation of a variable from “the world” to “reality” (to be included in rational deliberation) takes some effort because a re-arrangement of variables is required (Goffman’s (1974) “re-framing”).³

Comparison after 30 years

One might wonder what the point of comparing the life stories of two different generations of leaders is. Everything has changed – contexts, technologies, institutions, education – and therefore comparison is not relevant. To a certain degree I am ready to accept that argument, but I also believe that social structures and codes of conduct change more slowly, and chiefly through deliberation and

³ Remember that a promise is a commitment to change the world to fit the statement. (Show up at the cinema at 19.00)

communication about current issues. Accumulated experiences play a role in that deliberation. (We all know what Germans or Americans are like, don't we?) Furthermore, careers stretch over decades. Some of the senior respondents in 2020 were up and coming juniors in 1990.

Since Swedish industry is concentrated to both large firms (as measured by the Herfindahl-Hirschman Index, among others) and highly internationalized (more than 90% of the sales and employment of most firms in the samples occur abroad), we might expect influences from other cultures to eliminate any Swedishness in organizational culture. Any specific Swedish influences on the leaders would be diluted as they are promoted through the ranks. But that seems not to have been the case. Many firms are very old – the oldest one in the sample was founded in the 13th century – and their leaders have to a large extent made their career inside the same company, or at least inside the same sphere,⁴ which grants long-term exposure to company cultures. This would partly insulate people who are stationed abroad during critical periods of their career from a Swedish industrial culture. But then one must remember that the core of industry is of the B2B (business-to-business) kind, deeply rooted in the leading technical universities – at least in the 1990 sample of leaders; a majority in the 2020 sample had a business education. Further, we have the tradition of central wage negotiations, which caters for close coordination of standpoints between representatives of the major firm (so too in dealings with the state). So there is some space for Swedishness. One respondent (1990) told me about his sojourn in South Africa, where there was an understanding that rich white people should have servants for every conceivable task at home; my respondent accepted that as a social

⁴ After the First World War, Swedish industry grew rapidly (especially after the Second War, due to its undamaged production facilities) under the umbrella of one or the other of the big banks, in much the same way as the Hausbanks in Germany and Japan functioned.

duty to help local families. But over time he noticed that this tended to make him lazy, so he asked for a transfer in order not to lose his Swedish/company work ethics.

There are some accounts of how the respondents escaped from problematic situations, but the overwhelming majority describe being thrown into a new situation and trying to make sense of it by observing and explaining (accounting for) surprising facts. An advantage here, from a learning perspective, might be that the respondent is made aware of his own (inadequate) beliefs when expectations fail. The surprising observation initiates deliberation, including listening to others (a virtue that several respondents brought up as an explanation for the international success of many Swedish corporations).

The surprises tended to be somewhat different in the two samples (1990 and 2020), even if similar patterns can be seen in how accounts were structured. One might expect that the dramatic changes in contexts that have occurred over the 30 years between 1990 and 2020 (the EU's Single Market, the end of the Soviet Union, digitalization, supply lines from China, among others) would generate different surprises to be explained. Certainly, these are fundamental changes of context, and comparisons between accounts will yield little but impressions.

The overall impressions, however, are that the context of management has grown more complex and that time has become "shorter". The principal marker of this is the increased emphasis on sustainability. There is also an increased sense of lack of time. This is not easy to verify, but it seems reasonable that complexity compresses time, since many more variables have to be considered – and this in a time when financial actors argue that judgement on complex issues should be left to the market. They seem to have persuaded politicians (with the state behaving differently now), but

I was not persuaded in the 1990s and much less so after the collective failure of the financial sector (and academic economists) to foresee the financial crisis of 2007/8. Perhaps complexity generates a sense of urgency to reduce the problem to one of financial outcomes and away from causes and interactions. One age-old method of dealing with lack of time is to extend time by prioritizing – deal with the most urgent problem first – but that would tend to fail more often with increasing complexity.

My current explanation is that complexity requires several competence areas to cooperate (across language and conceptual borders), which has significant effects on the conduct of deliberation in management. It increasingly becomes a matter of communication.

One of the signs of the manner of dealing with complexity is the more frequent mention in 2020 than in 1990 of mentors as participants in these uncertain situations.

So what have I done that justifies this kind of vague reasoning?

I have studied, in some detail, the emergence of what is jokingly referred to as Sweden's "negotiated economy" from the early 1900s. I have also read, carefully, six company biographies. I reported the results of those studies in Jönsson (1995) together with an analysis of the 1990 interviews. I have made a comparative history study of bank failures, and compared recent failures (Barings, Royal Bank of Scotland, Icelandic banks) with those from hundreds of years ago (Medici, Fugger, Sevillian banks). I reported that study in Jönsson (2019). I held a second series of interviews in 2020 (30 years later) and analyzed them to see the use of logics in accounts, which largely failed to provide a basis for understanding. Tracing the linguistic turn in social sciences back to Wittgenstein and the debates in Cambridge in the early 1900s on rationality under uncertainty, I have concluded that pragmatism, with its focus on "Inference to the

Best Explanation”, is probably the best basis for reasoning on the deliberation of managers in large organizations. I reported much of this reasoning in Jönsson (2021). The “clarity of thought” that the earliest pragmatist (Peirce) argued for comes from deliberation on the practical consequences that would follow if a certain proposition held true. I believe that is the best description of good management seen as deliberation in a complex context under time pressure. I am reporting that now.

In the two series of interviews on life stories with their focus on learning events, in 1990 and 2020, I found a shift towards increased **complexity and lack of time** in the accounts of top managers. That makes sense! might be one’s first reaction. We have digitalization, increased world trade, supply chains.... Of course, the managerial task is more complex, and time is short; tell me something new! Luckily, we have free markets and competition to manage that. Charles Darwin and Adam Smith provided the explanation: it is only natural that some firms will fail, but the fittest will survive. Charles Darwin did not have an explanation for how a successful struggle for life was carried over to the next generation – you know, the “variation, selection, retention” sequence. He did not know about genes, or that pigeons could teach each other, but he knew that the careful selection of parents could generate promising breeding results.

Adam Smith argued for free trade (and competition) at a time when Britain had been party to a peace treaty in Utrecht (1713) under which the South Sea Company (a company set up by the British government) was given a virtual monopoly on the slave trade between Africa and America for 30 years. When he talked about competition, he talked about pin manufacturers and farmers bringing their produce to the market, as was the case when Carl Menger (1871) introduced individual utility maximization as the (so far very successful) explanation for how markets work. Now