# Interests behind managers' decisions: why and when do managers decide for managerial or alternative concepts?

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**Abstract:** Managers' decisions and decision-making still represent some fundamental puzzles. Often, managers decide for the same prevailing 'managerial' concepts – but sometimes they decide for fundamentally different, 'non-managerial' ones. The question is why and when exactly managers choose one or the other. The paper identifies and analyses some key explanatory variables behind managers' decision-making. It is assumed that, amongst other things, managers' interests play a crucial role. In order to interrogate this in more detail, a model of interest-based decision-making has been developed and used to identify key factors at the macro level (organisational environment), meso level (intra-organisational context), micro level (groups of managers), and individual level (individual managers). The analysis leads to the creation of a C-shaped model that states when managers opt for managerial or non-managerial concepts.

**Keywords:** decision-making; interests; management; managers.

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"Not ideas, but material and ideal interests directly govern men's conduct."

Max Weber (1920)

## 1 Introduction

Imagine interviewing several managers of a large organisation about its current and future strategy or its latest strategic change-management initiative. Besides a perhaps tactically motivated use of latest buzzwords and some 'socially expected answering behaviour', it will soon become clear that some managers prefer business concept A whereas others are very much in favour of concept B. The question is simple: why?

Empirical research regularly reveals clashes of worldviews amongst managers at all levels (e.g., Diefenbach, 2007, 2005; Kwon et al., 2009). Managers often make cases for different business models, and their interpretations of strategic issues and their implications can differ quite considerably. However, most of managers' preferences for strategies or organisational concepts do not differ that much and are not entirely random – as research into managerial fads and fashions shows (Abrahamson, 1996; Staw and Epstein, 2000). There seems to be a strong tendency towards strategies and organisational concepts that might be technically different but nonetheless belong to the same family of 'managerial' concepts. Even strategic changes remain largely within managerial orthodoxy.

Nonetheless, *occasionally* managers or entrepreneurs may opt for *fundamentally* different concepts – 'non-managerial' concepts. Such models do not simply entail a new strategic direction for an organisation while keeping traditional principles, objectives, structures and processes intact. Non-managerial concepts challenge the prevailing orthodox principles of businesses and organisations and replace them with alternative sets of principles. They represent radically different ways of doing business, organising work and achieving and maintaining non-hierarchical types of organisations.

So far, orthodox management and organisation theory has not been able to explain why managers come to (very) different interpretations and choose fundamentally different business concepts on the basis of the same information (e.g., Mitchell et al., 2011; even called this 'erratic strategic decisions'). Hence, this paper addresses the following question: *why and when do managers decide for orthodox ('managerial') or alternative ('non-managerial') concepts?*

Obviously, there can be many reasons for managers' decisions. Even if one focuses only on how and why individual managers decide between different options, there are still quite a few relevant factors that contribute to explaining such managerial behaviour. These include knowledge and experience, professional background and learned role behaviour, internalised norms and values, (social) identity and character traits.

This paper will concentrate on *interests* – that is, how managers' interests in managerial or non-managerial concepts can be explained. So far, interests have largely been neglected when it comes to inquiries into managers' decision-making – which is strange since all human decisions are based, amongst other things, on interests. Interests shape how people see and interpret the world, and they form people's ideas and intentions, behaviours and attitudes, decisions and actions (Bresser-Pereira, 2001; Force, 2006; Gotsis and Kortezi, 2011; Hendry, 2005; Hindess, 1986; Meglino and Korsgaard, 2004; Miller, 1999; Moore and Loewenstein, 2004; Suttle, 1987; Whittle and Mueller, 2011). Thus, with the explicit inclusion of interests it is possible to provide not only descriptions but *explanations*.

Moreover, people are usually quite aware of their interests – and pursue them accordingly. In this sense, it is assumed that managers' decisions for or against a particular concept are *not* primarily based on whatever is portrayed as 'the' interest of an organisation (e.g., 'profit maximisation', 'increasing market share' or 'improving efficiency') but are based on what individual managers regard as *their* interests – and on whatever is *in* their interest. Their interests *can* coincide with the core principles and public statements of the organisation they work for, but not necessarily.

By explicitly using the concept of interests within organisational context, this paper contributes to approaches that portray management and the work of managers not as a set of 'neutral' activities but as interest-driven actions of people within institutional settings (Mintzberg, 1985; Nutt, 2011; Reed, 1984; Schoemaker, 1993; Steptoe-Warren et al., 2011). In the tradition of critical theory (Alvesson and Willmott, 1992; Brookfield, 2005), this paper attempts to look behind the obvious and tries to reveal some of the driving forces influencing managers' interests and decisions.

Explicit application of the concept of interests to managerial decision-making represents a novelty in management and organisation studies. In this sense, this paper is largely a *conceptual* paper – that is, it attempts to develop a theoretical construct of interests and to show how this construct can contribute to analysing and explaining managers' decisions. To this end, the following section provides definitions of 'managerial' and 'non-managerial' concepts. Then, a multi-level model of interest-based decision-making within organisations is introduced. With the help of this model, the following four sections analyse which factors in an organisation's environments, in the organisational context, at the group and individual levels influence managers' interests in managerial or non-managerial concepts. The analysis converges towards a new model that establishes a basis for explaining why managers are interested in non-managerial concepts ('C-shaped model'). The final section offers some concluding remarks and suggestions for future research.

## 2 'Managerial' and 'non-managerial' concepts

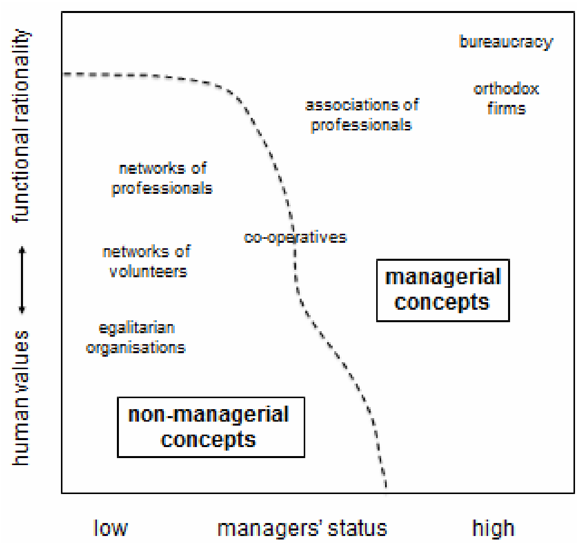
Obviously, there exist many different types of organisation – as well as many different ways to categorise them (e.g., see Diefenbach and Sillince, 2011). Organisational concepts – that is, blueprints for the design of organisations as well as rationales for their management – can differ in many respects. In a very general sense, they might be differentiated into 'managerial' and 'non-managerial' concepts.

*Managerial concepts* as used here include any strategy or organisational concept in the tradition of mainstream management orthodoxy (Drucker, 1954; Fayol, 1949; Friedman, 1970; Porter, 1980). Such models have a predominant focus on functional or instrumental rationality (e.g., shareholder value, profit maximisation, technological efficiency) and suggest a hierarchical organisation of tasks and people. In so doing, such concepts support, justify and secure the power and status, responsibilities and prerogatives of management and managers (Burnham, 1941; Diefenbach, 2009; Rosen, 1984).

In contrast, *non-managerial concept*s have human values and concerns at a level at least equal to functional systems imperatives, usually even as their prime ideas; examples of these ideas include equality, community and individual development. Thus, such concepts imply some kind of non-hierarchical organisation and try to avoid privileging particular social groups or certain individuals – at least formally.

Figure 1 shows how types of organisations can be grouped into managerial or non-managerial concepts along two dimensions: human values and functional rationality, and managers' status.

**Figure 1** Managerial and non-managerial types of organisation




## 3 A multi-level model of interest-based decision-making within organisations

Whether managers decide for managerial or non-managerial concepts will be looked at from an interest-oriented perspective. There has been a long tradition, particularly in neoclassical economic theory, that assumes that *self*-interest is a major factor determining individuals' attitudes, preferences, decisions and actions – for example, rational choice theory, agency theory, classic psychological attitude theories (expectancy value models, behaviourism, utility theory) and evolutionary theories [Force, 2006; Hendry, (2005), p.55; Miller, (1999), p.1053]. However, these concepts describe interests and interest-driven decision-making as fairly rational – almost mathematically calculated – events, and can therefore address the complex problem of human decision-making only in some very limited and flawed ways. Perhaps even worse, these concepts often feed into an *ideology of self-interest.* According to Miller (1999, p.1053), at least in Western cultures, 'the assumption of self-interest is not simply an abstract theoretical concept but a collectively shared cultural ideology'. It is an ideology that claims that egoism and greed are now 'one of the highest callings of human existence' [Moore and Loewenstein, (2004), p.195].

In contrast, 'interest' is meant here simply as a (non-instrumental) curiosity in something or an (instrumental) desire to achieve an egoistic *or* altruistic goal in which the understanding of the object or the realisation of the objective is deemed useful or advantageous after due consideration [Bresser-Pereira, (2001), p.365; Moore and

Loewenstein, (2004), p.190]. 'After due consideration' means that a person's interest is not an immediate urge or need that occurs (only) in a particular moment. Based on incomplete and uncertain information, people think at least to some extent about possible alternatives and their implications and assumed consequences. Thus, to have an interest in something is a conscious, thoughtful and reflected attraction towards a particular object or objective.

Which interests people have depend on a whole range of factors that can originate in various areas:

1 People's interests are formed and shaped to some degree by the wider environment they live in – that is, natural or social environments (e.g., legal, political, economic, socio-cultural or technological). People's interests are particularly shaped by societal institutions, prevailing norms and values, socio-philosophical or economic principles and theories, cultural traditions, and modes of sense-making, reasoning and doing things. The environmental areas relevant for managers can be subsumed under the term *organisational environment*.

2 For a great part of their lives, most people are part of (large) social systems that have their own principles, norms and values, structures and processes that shape people's interests. In this paper the focus is on (hierarchical) *organisations* – that is, factors from an intra-organisational context that might influence managers' interests.

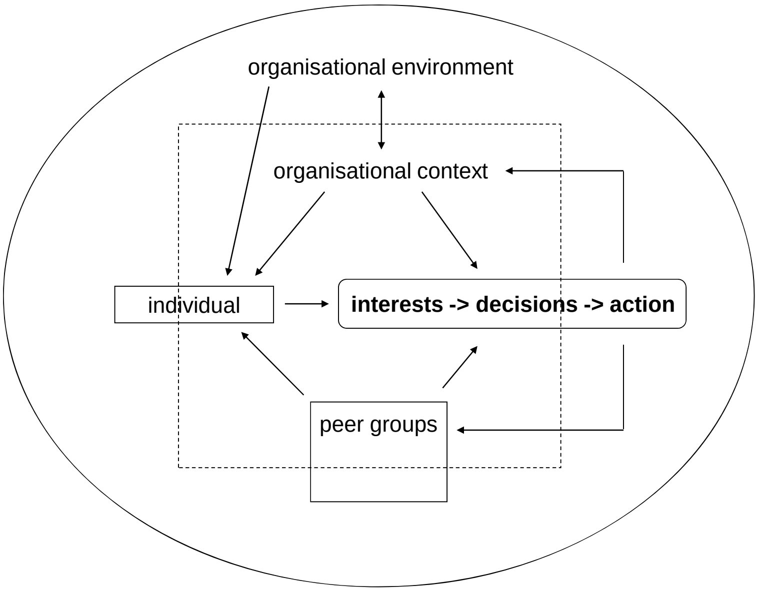
3 Such organisations are more or less differentiated and stratified. As a social system they often consist of a number of (sub-)groups. Social *groups* strongly influence the values and interests of their members. For the sake of argument, in this paper I consider managers as one general group and do not differentiate them into levels (e.g., senior, middle and lower managers), functional areas or specialisations.

4 Finally, social groups are constituted by *individual members*. Personal characteristics of individuals – that is, their personality or identity, their socio-cultural background and their experiences – represent an other large area of factors that shape people's interests.

All in all, independent variables that influence and shape people's interests might be found at the *macro level* (organisational environment), *meso level* (intra-organisational context), *micro level* (groups), or *individual level* (individuals). Together, these variables represent a set of structural, organisational, sociological and psychological drivers that shape managers' interests and influence their decisions. Figure 2 visualises this model. The arrows represent the direction in which independent variables influence dependent variables. 'Actions' are included in the model only for the sake of completeness; in addition to the links between decisions and actions, they are not investigated further in this paper.

Some similar multi-dimensional and integrative approaches have been developed and applied in order to better understand the influence of key factors in managers' decision-making (e.g., Elbanna and Child, 2007; Hitt and Tyler, 1991; Nadkarni and Barr, 2008). Although these approaches have identified some links and shown that several factors can influence managers' strategic decisions, they hardly provide explanations for the fact that managers choose different concepts. This is mainly because these models all leave out explanatory variables.

**Figure 2** A model of interest-based decision-making within organisations




In contrast, the approach suggested here has one explanatory variable as its core: interests. According to the model developed here, interests represent the crucial link between context, people and their decisions and actions (Hindess, 1986; Meglino and Korsgaard, 2004). The following sections will identify some of the key factors that shape managers' interests in managerial and non-managerial concepts.

## 4 Key factors shaping managers' interests

### *4.1 Organisational environment*

The market economy, global competition, economic success, neo-liberal agendas and business-oriented concepts are the prevailing norms and values not only in industrialised but also increasingly in most developing, even (post-)communist, countries. Although *historical* phenomena, they are portrayed as 'inevitable' trends or even as the 'natural order of things' from which there is no escape. Private- as well as public-sector organisations all over the world are expected, even 'forced', to develop 'business-like' – that is, market-, customer-, efficiency- and measurement-oriented – strategies and organisational concepts (Deem and Brehony, 2005; Diefenbach, 2007; Steptoe-Warren et al., 2011). The dominance of orthodox concepts for analysing, even constructing, business environments (and for shaping organisational structures and processes accordingly) is (almost) hegemonic (Diefenbach, 2009). *Managerialism* has become the *dominant ideology* (Abercrombie et al., 1980; Burnham, 1941; Deem and Brehony, 2005; Grey, 1999; Rosen, 1984). It defines, and limits, the range of possible business models quite considerably.

In addition to these more indirectly manifested mega-trends, managers are also more or less directly expected to use the latest business models and management techniques, if not to say 'fads and fashions' (Abrahamson, 1996; Staw and Epstein, 2000). The application of the latest concepts is seen as evidence for managers' professionalism and competence [Kieser, (1997), p.65]. Such expectations come especially from powerful and influential stakeholders such as institutional investors, financial institutions, government agencies, professional associations, business consultants or business partners. Most managers are very aware of these expectations. They are therefore keen to prove that they are using the 'latest cutting-edge techniques' in order to avoid being criticised for not being 'up to date' – or even not being 'up to their job' [Carson et al., (1999), p.322].

In this sense, jumping on the bandwagon and similar 'herd behaviour' [Carson et al., (1999), p.321] is quite understandable. The seeming inevitability of mega-trends and clearly articulated expectations from powerful stakeholders define parts of the framework within with managers make decisions. Most managers, therefore, favour business models that fit to these external forces and will therefore choose managerial strategies.

However, the mega-trends and prevailing stakeholder expectations just described are not natural laws. There have been other times. In 1967 Scott McKenzie performed the song 'San Francisco (Be Sure to Wear Some Flowers in Your Hair)', with the well-known lyrics:

> If you're going to San Francisco
>
> Be sure to wear some flowers in your hair
>
> If you're going to San Francisco
>
> You're gonna meet some gentle people there
>
> For those who come to San Francisco
>
> Summertime will be a love-in there
>
> In the streets of San Francisco
>
> Gentle people with flowers in their hair
>
> All across the nation such a strange vibration
>
> People in motion
>
> There's a whole generation with a new explanation
>
> People in motion people in motion

McKenzie's song may combine fact with a perhaps overtly romantic picture. But he caught the spirit of that time in the most picturesque terms. In the 1970s, alternative trends became so strong that they changed the politics, political institutions, social patterns and cultures of most (Western) countries – and they changed many organisations. Uncountable smaller and larger real-life experiments were set up to find new ways of living and working together. In Pateman (1970), described organisations that functioned as 'participatory democracies'. One year later Dahl developed the concept of 'polyarchy'. In Kanter (1972), published her comprehensive and detailed research on 'utopian communities'. And in Rothschild-Whitt (1976) analysed the conditions for 'participatory-democratic organisations'.

Such alternative types of organisation, the successful as well as the failed ones, are vivid examples of 'people in motion': the founders and 'managers' of these organisations not only felt 'a strange vibration' but wanted to provide 'new explanations'. As Kanter (1972, p.8) said: "Communal orders represent major social experiments in which new or radical theories of human behaviour, motivation, and interpersonal relations are put to the test". The 1970s provide much evidence of alternative sets of values and trends in societies, which triggered and shaped some managers' interests in non-managerial concepts.

But that was then and this is now. Since the early 1980s the conservative/neo-liberal counter-revolution has increasingly dominated societies – Western and Asian alike. Hence, despite the complexity and diversity of today's world, the forces of conformity are often stronger; in the face of the aforementioned mega-trends and stakeholder expectations, it seems that organisations *have to* incorporate elements of externally legitimated strategy rhetoric – rather than developing their own individual set of criteria – in order to gain legitimacy and political, financial and cultural support. According to the idea of 'isomorphism' (DiMaggio and Powell, 1983; Meyer and Rowan, 1977), any given system *must* conform to, even internalise, the principles, institutional pattern and forces of its environment since otherwise it would lose its legitimacy and might even cease to exist.

However, as with every ideology in any epoch, the current hegemony of managerial concepts is not absolute. There is a good chance that *fundamentally alternative* (business) concepts exist in an organisation's environment. For example, egalitarian organisations, networks of professionals or volunteers, and certain types of cooperative represent contemporary examples of non-hierarchical and non-managerial types of organisation based on ethical principles that can be found in (almost) every society (e.g., democratic decision-making, participation, empowerment, equality).

Against the backcloth of prevailing conservative mega-trends and an overarching dominance of widely accepted, 'tried-and-tested' orthodox business principles and managerial concepts, such alternative models may look rather 'unrealistic'. And, indeed, it is quite a challenge for people to implement and to practise them – as will be discussed in some more detail in the next section. But the sheer existence of such alternative concepts is already proof enough that they are possible (and that isomorphism is not a natural law). And, since these concepts offer those values that are missing in the prevailing repertoire of managerial concepts, some managers may opt for such non-managerial concepts.

### *4.2 Intra-organisational context*

One of the greater (and most severe) consequences of the conservative/neo-liberal counter-revolution of the early 1980s is that most organisations of our time are essentially *managerial* organisations. The legitimate, allowed and accepted ways of organising, deciding and doing things – even ways of thinking – are defined in large part by *managerial* concepts and ideas. Managerialism first and foremost is the idea, if not to say ideology, that everything is *manageable*, that everything *has to be* manageable and that everything has to be managed according to accepted management concepts – top-down and, of course, by managers (Diefenbach, 2009).

Moreover, prevailing orthodox management concepts (in the tradition of Drucker, 1954; Fayol, 1949; Zaleznik, 1989) claim that the objectives of managers and organisation are closely linked [Alvesson and Willmott, (1992), p.1; Willmott, (1984), p.353]. Managers' prime interests are said to be identical to their first and foremost responsibility to guarantee the achievement of the organisation's strategic objectives or organisational/technical imperatives, such as efficiency or productivity. Accordingly, managers' decisions and actions are portrayed as 'impartial and uncompromised by self-interest or class-interest, motivated only by the seemingly universal virtues of efficiency and effectiveness' [Willmott, (1996), p.326]. Allegedly, managers decide for managerial concepts because it is their role and responsibility to do so.

Nonetheless, because of their different *functional backgrounds* and *departmental affiliations* as well as their responsibilities for resources, managers may perceive and interpret strategic priorities and business concepts quite differently [Swedberg, (2005), p.371]. Functional differentiation within the managerial organisation "creates sectional interests, each with their own needs and priorities. … [O]nce organisational groups are given different tasks they begin to formulate their own sets of norms and goals" [Miller et al., (2002), p.79]. Since managers also assess strategic alternatives on the basis of their departmental affiliation and what they regard as being in their unit's interests, one could assume that they might choose fundamentally different concepts from each other.

The chances of this happening are, however, fairly slim. The existence of different interests resulting from different functions is usually no serious problem for hierarchical organisations; on the contrary, such differing interests are already incorporated into the organisation's blueprint and were probably even put in place deliberately in order to keep sub-units' power constrained. In hierarchical organisations horizontal differentiation is always accompanied, contained and dominated by vertical integration. Hence, managers' possible disagreements triggered by functional or departmental differences still take place *within* established organisational rationales, *not* outside or against them. Within managerial organisations, managers may be interested in managerial concepts that are 'technically' different but nonetheless of the same type.

In the face of such a combination of strong factors supporting managerial organisations, it is hard to imagine any factors within the organisational context that might suggest non-managerial strategies. Of course, the well-known downsides of managerial organisations trigger a constant flow of new approaches and attempts to change these organisations – for example, concepts of empowerment, intrapreneurship, intra-organisational networks, or team- or project-based work. If taken seriously, and not only meant as half-hearted lip service, these models *can* represent real alternatives to the managerial organisation and could contribute to changing it fundamentally.

Nevertheless, there is overwhelming evidence that even serious attempts to fundamentally change hierarchical organisations actually do not change much (e.g., Akella, 2003; Diefenbach, 2007) – or they make things even worse. New modes of indirect control not only replace old, direct forms but also complement them; performance-measurement systems and mechanisms become even more comprehensive than before; and any reduction in formal hierarchy is more than compensated by an increase in informal hierarchy and managerial control (Casey, 1999; Courpasson and Clegg, 2006). There is increasing evidence that informal hierarchy and managerial approaches to organising work can be found even in networks and polyarchic organisations that were meant to be participative and 'hierarchy free' (e.g., Ekbia and Kling, 2005; Oberg and Walgenbach, 2008). As a consequence, modern and post-modern organisations not only remain managerial but also become even more so *because of* the introduction of new concepts.

It seems that, even in those cases where managers and change agents seriously believe in alternative concepts and try hard to implement them, such change initiatives produce perhaps *some*, but not *fundamental*, change. The reason for this is that hierarchical organisations and the prevailing idea of management are thoroughly based on the logics of power and control. Even change-management initiatives mean exactly that: *management* of change via some sort of direct or indirect power and control. The organisational context suggests to managers no other interest than to manage – and to introduce and to maintain concepts and measures only in ways that help their interest in managing the internal affairs of the organisation. Hence, one of the fundamental problems of common change-management practices is that even non-managerial principles, structures and processes are introduced and practised in managerial ways – with a predictable outcome: whenever non-managerial concepts are introduced in managerial ways, the resulting structures and processes will be managerial. Whether it is ‘management’ or ‘change management’, within hierarchical organisations there are no reasons or incentives for managers to deviate from prevailing managerial ideology and to opt for non-managerial concepts.

### *4.3 The ‘group’ of managers*

For managers it is crucial that their roles and tasks are not just accepted as institutions but accepted as *the* most important institutions of organisations, even whole societies. Managers’ prime interest, hence, is to make strong claims for ‘the primacy of management in organisations’ and ‘the importance of management for management’s sake’ [Deem and Brehony, (2005), p.222] – and to argue that there is only one type of profession that can provide this function: managers. It is this ‘equation of management with managers’ [Grey, (1999), p.567] that draws the line in the sand, distinguishing between ‘those who work, and those who plan, organise, coordinate, and control work’ [Kärreman and Alvesson, (2004), p.150].

Because of their similar social status and their shared values, convictions and interests, managers can be regarded as a *social group*. Tajfel and Turner (1979) defined a group as “a collection of individuals who perceive themselves to be members of the same category, share some emotional involvement in this common definition of themselves and achieve some degree of social consensus about their group”. Managers share a fundamental understanding of what it means to be a manager – and to belong to the (diversified) group of managers.

It is quite attractive to belong to the group of managers. Their status and importance, their roles and responsibilities, their power and influence, their monetary and non-monetary privileges and prerogatives (which may nevertheless vary considerably according to each manager’s level and specialisation) – these incentives contribute considerably to managers’ interests and readiness to identify themselves with the role of the manager as well as the group of managers (Diefenbach, 2009).

And, if their willingness is not sufficient, social pressure will do the trick. Amongst managers, intense socialisation ‘into the normative expectations and priorities of the corporate elite’ [Westphal and Khanna, (2003), p.362] happens on a daily basis – most of it via social control and coercion. Deviance is rarely accepted and will be sanctioned. For example, when Westphal and Khanna (2003) investigated social control in a sample of directors and CEOs at Forbes 500 companies, they found consistent empirical evidence that directors, who favoured elements of non-managerial strategies, experienced a higher level of social distancing from their fellow top managers and were subsequently deterred from further participation in corporate governance changes.

Whether as a result of (voluntary) identification with the group of managers or (forced) compliance with its norms and values, managers develop considerable *group cohesion* because of their common status of being managers [Hindess, (1986), p.123; Mills, 1956; Swedberg, (2005), p.367; Useem, 1984). The social group of managers leaves little, if any, room for deviance. Showing an interest in non-managerial concepts is not really an option.

However, managers are also divided amongst themselves. For example, investigations of senior and middle managers regularly reveal clashing worldviews, coalition formation and shifting coalitions (e.g., Diefenbach, 2005; Miller et al., 2002). They clash perhaps because of their different understandings of strategy and management (Busenitz and Barney, 2012; Willmott, 1984), sectional interests or functional differences (stemming from different roles, departmental affiliations or professional backgrounds), personal differences (stemming from different worldviews, personalities or personal goals), or simply because of organisational politics (Burns, 1961; Diefenbach, 2005; Gotsis and Kortezi, 2011; Mintzberg, 1985; Weissenberger-Eibl and Teufel, 2011). In this sense, the 'group' of managers is highly fragmented. Most managers are locked in internal battles with other managers, keen to secure, if not to increase, their positions, social dominance, power and influence within asymmetrical power relations (O'Brien and Crandall, 2005).

For the group of managers, the name of the game is *hierarchical competition* – which can be defined as the internal social struggle of permanent members of a horizontally differentiated, longer-lasting social system for advantages related to social positions within the system. According to such an understanding, managers can compete with others – but they have to stay within the accepted norms of organisational conflict and the rules of the game. Managers, hence, walk a fine line; they all need to distinguish themselves from other managers but they must not overdo it. Managers can talk about change and alternative concepts – but this cannot mean *fundamental* change and alternatives. Managers can be against other managers *as individuals* – but not against managers *as a group*, let alone management *as an institution*. They can be in favour of 'fundamentally' different strategies and business models, but these *must be* managerial concepts.

Such 'regulated fighting' is very typical of ruling elites and their members (Mills, 1956); their prime interest is to safeguard their institutionalised positions – and all that comes with them. Members' interest in pursuing their own goals, even when this means against other members' equally legitimate interests, is acceptable – as long as it stays within this secured area and does not harm the ruling elite as a whole.

All in all, whether because of group cohesion or hierarchical competition, as members of the social group dominating organisations and their management, managers have every reason to choose managerial concepts. At the group level there are no factors whatsoever that might provide incentives for managers to decide for non-managerial concepts.

### *4.4 Individual level*

Managers, finally, do not just assess concepts on the basis of environmental factors, organisational imperatives or group norms. Like other people, they make sense of phenomena also, or perhaps first and foremost, from a very personal perspective – from *their* perspective (Seligman, 2006). For example, how managers see things depends to quite some extent on their individual organisational positions, roles and responsibilities. And there is a lot at stake: salaries and other material benefits, privileges and prerogatives, status and prestige (Mills, 1956; Waller et al., 1995; Willmott, 1996; Zaleznik, 1989). It is therefore quite understandable that managers generally are concerned about their present situation, the security of their job and their career prospects [Zaleznik, (1989), pp.53–54]. They usually have a strong interest in keeping, if not increasing, what they have achieved for themselves and are very sensitive about everything that may have an impact on their roles and positions [Parker, (2002), p.189]. Like many other employees, managers' first allegiance is to their individual careers and personal advantages – and *not* to the organisation they work for. Managers, hence, will prefer concepts that strengthen or even increase their current status and personal interests. Simply stated, managers will opt for managerial concepts.

Since their position is (potentially) at risk at any given time, most managers are deeply anxious and feel vulnerable and insecure (Kieser, 1997). In his empirical research Watson [cited in Willmott, (1997), p.1346] found 'human angst, insecurity, doubt and frailty' amongst managers and realised that 'they have all the human frailties and anxieties of the other people whom they seek to influence'. Such managers prefer situations that they (can) control, where they do not need to take too much of a risk or face displaying their weak sides. Over the years, many managers develop a strong power-and-control orientation. This psychological need for certainty, stability and control will drive them towards widely accepted and standardised management concepts since these provide them with order, guidance and straightforward solutions [Kieser, (1997), p.67]. Managerial strategies are highly attractive because they provide not only control but also a sense of being in control. To the individual manager, managerialism represents a moment of rationality and order, certainty and stability, leadership and control in an otherwise uncertain, confusing and threatening world.

Managers' *egoism* and *anxiety* express themselves in the same socio-psychological behaviour: *conformism* [Thompson, (1961), p.495]. Most managers make sense of problems and formulate possible solutions primarily on the basis of tried-and-tested managerial concepts (Narayanan et al., 2011; Teal, 2011) that do not represent too much (potential) risk to their position or identity. They think and act in managerial ways because this is what they have learned, what has worked for them over the years and what will also work for them in the future. Managers know very well that they can progress through the ranks primarily by 'playing by the rules' and demonstrating their ability to adapt. In most cases, deviance will not pay off. The models they choose, hence, will mostly be within the range of what is regarded as safe and secure, what fits the official managerial identity and what demonstrates to everyone that they are 'professional' managers. Personal interests, psychological anxieties and a conformist mindset work in *the same* direction; individual managers have every reason to opt for managerial concepts.

However, there are people who strongly believe in fundamentally different values and are interested in creating and maintaining social systems (such as organisations or whole societies) according to *anti-authoritarian principles*. The well-known statement 'being one's own master' [e.g., Pateman, (1970), p.26] epitomises the idea of *the free and autonomous individual* (and the conditions under which people can be free). This idea has a long and well-established tradition. It was developed in the heyday of 18th century European enlightenment and put forward in the strongest terms by anarchists and (early) socialists of the 19th century. Then, in the 20th century, it was translated into socio-psychological and political concepts by social psychologists such as Fromm (in his books *The Fear of Freedom*, 1941, and *The Sane Society*, originally published in 1956), existentialists such as Camus (in his book *The Rebel*, originally published in 1951) and political theorists such as Berlin (in his *Four Essays on Liberty*, 1969).

'Commons-based peer production' (Benkler and Nissenbaum, 2006), in particular 'open source software collaboration' (O'Mahony and Ferraro, 2007; Mateos-Garcia and Steinmueller, 2008; Dafermos, 2012), provides an empirical example of working conditions people with such an orientation want to find (or create) for themselves and others. According to Benkler and Nissenbaum (2006, p.400),

> "peer production is a model of social production, emerging alongside contract- and market-based, managerial-firm based and state-based production. These forms of production are typified by two core characteristics. The first is decentralisation. Authority to act resides with individual agents faced with opportunities for action, rather than in the hands of a central organiser, like the manager of a firm or a bureaucrat. The second is that they use social cues and motivations, rather than prices or commands, to motivate and coordinate the action of participating agents."

It is rather inappropriate to continue using terms such as 'manager' or 'employee' for people working in such non-hierarchical structures. But, whatever their actual position (or official title) is, people with such anti-authoritarian orientations by and large have a (stronger) interest and belief in the values of participation, democratisation, equality, fairness and justice – however these aspects are specifically addressed in a given method of organising work and people.

Obviously, such interests (and corresponding value systems, identities and actions) entail a challenge to any hierarchical/managerial status quo. It is not possible to realise such concepts within hierarchical organisations – and very difficult to transform such organisations into non-hierarchical ones. But if people strongly believe in anti-authoritarian philosophical concepts and act according to their ethical principles, they will choose non-managerial concepts and create and maintain alternative types of organisation.

## 5 When do managers decide for non-managerial concepts?

In the previous four sub-sections some of the crucial factors that shape managers' interests in deciding for or against prevailing managerial concepts have been identified and analysed. Table 1 summarises these aspects.

**Table 1** Variables that shape managers' interests in terms of choosing managerial or non-managerial concepts

| *Level* | *Variables shaping managers' interest to decide for* | |
|---|---|---|
| | *Managerial concepts* | *Non-managerial concepts* |
| 1 Macro Organisational environment | • Dominant ideologies such as neo-liberalism and managerialism ('mega-trends')<br>• Fads and fashions, expectations and (possible) influence of powerful external stakeholders<br>• Isomorphism | • Alternative mega-trends<br>• Examples of democratic/ non-managerial organisations |
| 2 Meso Organisational context | • Idea of the managerial organisation<br>• Roles of managers, managerial tasks<br>• Functional background, departmental affiliation | None |
| 3 Micro Group of managers | • Primacy of management, strategic objectives and strategic decision-making as managerial prerogatives<br>• Attractiveness, social pressure, group cohesion<br>• Organisational politics, hierarchical competition | None |
| 4 Individual Individual managers | • Egoism and career orientation (current position, career aspirations, personal advantages)<br>• Psychological anxieties, power-and-control orientation<br>• Conformism | • Anti-authoritarian philosophical and ethical principles (e.g., free and autonomous individuals, participation, democratisation, equality, fairness, and justice) |

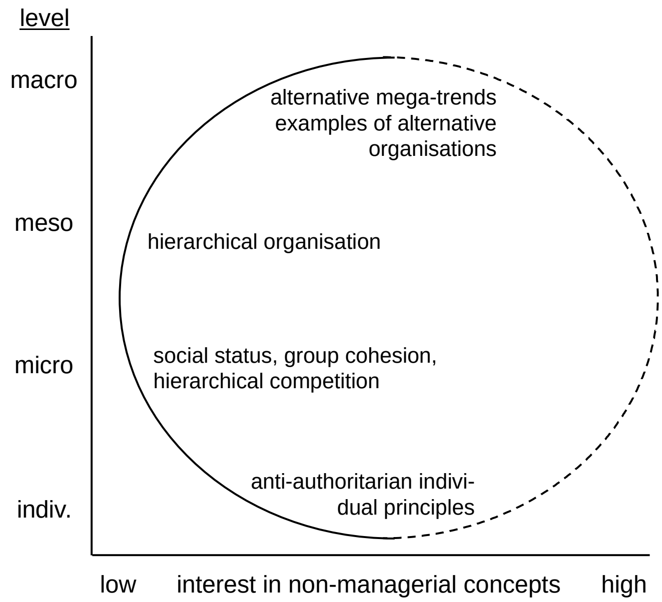
As the discussion has revealed, the overwhelming majority of factors that shape managers' interests point in the same direction: managers first and foremost follow prevailing managerial concepts. As Table 1 shows, the reasons for this can be identified at *all* levels: at the macro level (organisational environment), meso level (intra-organisational context), micro level (groups of managers) and individual level (individual managers). Moreover, these reasons work together and further strengthen the prevalence of managerialism. Managers' perceptions, knowledge, reasoning and ideas are framed and standardised by the ideology of managerialism much more than managers are aware (anymore); the strategic and operational world of the manager is managerial.

Where factors influencing managers' interests in non-managerial concepts are concerned, however, the picture is different. At the organisational and group levels, the incentives to choose such models are very low, if not to say non-existent. Within hierarchical organisations there are no reasons for managers to opt for non-managerial strategies or concepts. Hierarchical social systems and authority-oriented peer groups do not provide incentives to diverge from prevailing (managerial) concepts. This is a common pattern of social dominance: ruling elites make sure that the institutions in place as well as the relevant people running them strengthen the status quo – and punish everyone who might deviate.

In contrast, factors that might drive managers towards non-managerial concepts are confined to only two areas: macro and individual levels. For one thing, there might be deviant, fundamentally alternative (business) concepts in an organisation's environment and managers may opt for such non-managerial concepts. A second point is that, if individual managers strongly believe in anti-authoritarian philosophical concepts and act according to such ethical principles, they might choose non-managerial concepts and might even try to establish alternative types of organisation.

Thus, the results represent a 'C-shaped' form concerning managers' interests in non-managerial concepts – as Figure 3 shows.

**Figure 3** The C-shaped form of managers' interests in non-managerial concepts




General ideas and concrete individuals need to come together; they need each other. Individuals who prefer unorthodox ideas need to be able to refer to specific models and philosophies that promote alternative values and show how these can be achieved and practised. And alternative ideas need to be picked up by determined (groups of) individuals with corresponding value systems who will try to realise those ideas.

For the problem investigated in this paper this means that a realisation of non-managerial concepts requires people (e.g., managers or entrepreneurs) who are already 'pre-disposed' to alternative ideas. This entails people with non-conformist worldviews who are capable of thinking outside established business concepts, of reasoning beyond conservative models and of testing, pushing or even crossing boundaries – and who are willing to do so.

The ‘C-shape’ represents this problem of a link between more general ideas, which can be found in an organisation’s wider environment, and individuals who might have, or might develop, an interest in such ideas. It remains a ‘C’ – and will not become a full circle – unless people attempt to realise those ideas – that is, to create a non-managerial organisation and to attract others to join in, thus forming a group of like-minded people who organise their work and themselves in democratic, egalitarian, fair and just ways.

## 6 Conclusions

Managers are much more interest-oriented than orthodox management theory suggests. With an interested-oriented approach like the one developed and applied here, one might gain some better ideas about (some of) the factors that influence managers’ decisions. By seeing and investigating managers’ decisions in an interest-oriented way, it is possible to identify the (hidden) reasons and agendas behind people’s reasoning, decisions and actions and to formulate (some) explanations regarding why, for example, managers opt for certain organisational concepts and reject others.

Focusing on interests helps us to better understand the logic and (ir)rationality of managers’ decisions – a ‘rationality’ very different from the one usually claimed by proponents of orthodox management studies (and many managers themselves). It shows that these decisions are ‘rational’ to a great extent only from the managers’ *individual* perspective – that is, what they regard to be *their* interest(s), and *in* their interest(s).

Of course, just to say that someone has decided so and so because it is his or her ‘interest’ is not sufficient. ‘Interests’ need to be specified and pinned down for individual actors or groups of people, and the specific historical, political, socio-economic, cultural and situative conditions have to be taken into account. These are opportunities for future research because interests can be applied as a concept with regard to *any* issue where humans are involved.

Based on insights stemming from such analysis it might be possible to design and manage decision-making processes that are different from the existing ones – that is, where there is little or no participation or democratic control. Decision-makers’ interests do not go away simply by ignoring them. On the contrary: the actual or possible interests of decision-makers have to be identified and addressed openly and decision-making processes designed, managed and controlled accordingly so that there is as much democratic governance, transparency and fairness as possible. An interest-oriented perspective can provide a fresh look at existing institutions, at the conditions they provide for people and at what could be the possibilities, opportunities and obstacles surrounding developing decision-making processes, institutions and organisations that correspond more with our understanding of democratic, fair and just social structures and processes.

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