Article

Organizations as Actors: Microfoundations of Organizational Intentionality

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Abstract
The article addresses the topic of "group agency" with respect to large organizations. It undertakes to analyze some of the concrete micro- and meso-level processes (microfoundations) through which large organizations arrive at collective "knowledge" and "action." The article makes use of the theory of strategic action fields to analyze processes of knowledge and the implementation of organizational intentions. The article describes some of the dysfunctions and disunities that should be expected from these individual-level processes, including principal–agent problems, conflicts of interests and priorities among organizational actors, loose coupling among subunits, and outcomes that are influenced by powerful outsiders. It argues for a limited conception of "*bounded localistic organizational rationality*" in which organizations have limited coherence, unity, and consistency over time in their beliefs and actions.

Keywords
group agency, group intentionality, organizational behavior, collective action, microfoundations

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1. Introduction

There is a good deal of interest in current philosophy of social science in the idea of collective agency or group agency. Especially prominent have been arguments advanced by Margaret Gilbert (1989), Raimo Tuomela (2013), Michael Bratman (2014), and Christian List and Philip Pettit (2006, 2011). Gilbert makes central use of the notion of a "'we'-intention," and her discussions have served as a rallying point within this set of theories. She defines this approach in these terms: "'We' refers to a set of people each of whom shares, with oneself, in some action, belief, attitude, or other such attribute" (Gilbert 1989, 168). These philosophers have been inspired both by venerable currents within classical sociology, including especially Durkheim's theory of social facts, as well as by the evident fact that social action involves "collectivities" of some sort. Group actions and beliefs are undoubtedly key to the most important social and historical processes we find in the social world. The very hard problem which these philosophers have addressed is what "collective intentionality" and "collective beliefs" might involve. In what sense is there such a thing as a group action, belief, or intention? Gilbert and Tuomela elect to put their confidence in the idea of a "plural subject" which is the bearer of these intentionality-laden ideas. Moreover, Gilbert believes that plural subjects exist; they are not fictions or constructions, but agents which have beliefs, perform actions, and succeed or fail in carrying out their intentions. "A set of people constitute a social group if and only if they constitute a plural subject"; and a plural subject is "a set of people each of whom shares with oneself in some action, belief, attitude, or similar attribute" (Gilbert 1989, 204).

Contrary to the social holism suggested by this approach to social groups, I have generally taken the view that the real actors in the social world are the human individuals who play various roles in social organizations, movements, practices, and networks. I have argued for the need for microfoundations for assertions about higher level social entities, grounded in the states of agency of the actors who compose them (Little 2007). We need to have some idea of the concrete social processes through which group-oriented intentions are created at the individual level in particular social circumstances, the microfoundations of group formation. It does not help to simply postulate "collective intentions"; we need to have a concrete sociology of the ways in which individuals come to have group-oriented beliefs, values, and motives. Further, the "plural subject" view does not work very well when we try to use it to interpret the practice of gifted social scientists who attempt to explain collective action. E. P. Thompson, James Scott, Chuck Tilly, Doug McAdam, and William Sewell all devote much of their effort to explaining how specific

social collectivities came to define themselves as "groups" and came to act in a collective way. But their approaches are invariably based on understanding the many threads of mobilization, structure, and meaning at the disaggregated level that eventually build up to a movement. Moreover, these historians of collective action almost always find substantial heterogeneity of individual motivations and purposes within a group activity. This seems to imply that there could not be a coherent, univalent group intention that stands separate from the individuals who constitute the group.

These remarks represent reasons to reject the holism often attributed to theories of group agency. But the importance of social groups, cooperation, and collective beliefs and intentions remains. Dissolving holism does not eliminate the problem of understanding social groups and actions; rather, it simply requires that we do the research necessary to uncover the pathways and mechanisms through which individuals in groups come to have the complex other-regarding beliefs and intentions that are crucial for the success of social cooperation and action. Rebellions, civil rights movements, corporate functioning, and nationalist populism all depend on individuals and groups acting in concert, and empirical sociological research is needed to uncover the processes and mechanisms through which these forms of group mobilization occur.

In particular, there is a good *prima facie* case for the idea that *organizations* of various kinds have many of the properties of intentionality that we attribute to individual action: beliefs, goals, motivations, pronouncements, and actions. We are comfortable with statements like these: "The Environmental Protection Agency has reversed many longstanding environmental protection regulations"; "the Ford Motor Company intends to reorient its business model"; "the Bulletin of Atomic Scientists has a good understanding of the risks inherent in nuclear power plants." But this implies that organizations such as the Environmental Protection Agency (EPA), the Ford Motor Company, or the Bulletin of the Atomic Scientists have intentional properties like beliefs, intentions, and actions. List and Pettit (2006, 2011) and List (2018) offer an account of this feature of some collectivities that avoids the trap of a holistic kind of collective consciousness, and there is a great deal to admire in their thinking on this topic.

This article proceeds within the broad framework that List and Pettit describe for group agency for the specific case of formal organizations. The article seeks to look into the machinery of group agency by sketching some of the concrete processes through which belief formation and action implementation take place for organizations such as the EPA, the Ford Motor Company, or the American Red Cross. The article thus serves to identify some of the microfoundations of group agency in the instance of formal organizations. I

will provide a preliminary description of some of the mechanisms through which these organizational intentions and goals are implemented. This account therefore avoids "spooky social intentionality" while making sense of the idea of organizational belief and action. It also lays a basis for a better understanding of the apparent irrationality and inconsistency of many organizational acts of cognition, goal setting, and action. This effort might be seen as the social counterpart to the use of research in neuroscience to provide an underlying account of the physical mechanisms and processes underlying human cognitive processes.

The fundamental fact under consideration here is that we often speak of large organizations like governments or multinational corporations as if they have intentions, beliefs, fears, plans, and actions. This sounds a lot like a mind. But this impression is fundamentally misleading. Government (like other large organizations) is not one unified thing. Rather, it is an extended network of offices, bureaus, departments, analysts, decision-makers, and authority structures, each of which has its own reticulated internal structure. We can ask about the government's actions and beliefs; but equally we can ask about the judgments and actions of the Defense Department, the EPA, the Department of Justice, or the Federal Emergency Management Agency; and for each of those agencies, we are driven to disaggregating further.

This has an important consequence. In addition to asking "what is the policy of the United States government toward Africa?" we are driven to ask subordinate questions: what are the operational policies toward Africa pursued by the State Department, the Department of Defense, the Department of Commerce, the Central Intelligence Agency (CIA), or the Agency for International Development? Further, for each of these departments we are forced to recognize that each is itself a large bureaucracy, with subunits that have chosen or adapted their own working policy objectives and priorities. There are chief executives at a range of levels—President of the United States, Secretary of State, Secretary of Defense, Director of CIA—and each often has the aspiration of directing his or her organization as a tightly unified and purposive unit. But experience and organizational theory alike make it perfectly plain that the behaviors of functional units within agencies are only loosely controlled by the will of the executive. This does not mean that executives have no control over the activities and priorities of subordinate units. But it does reflect a simple and unavoidable fact about large organizations. An organization is loosely coupled, with tenuous and imperfect mechanisms of control throughout the operational structure.

So it is crucial to examine in detail the ways in which government nonetheless arrives at "beliefs," "intentions," and "decisions." The view of organizational rationality and epistemology I will describe here might be

encapsulated in a phrase that resonates with Herbert Simon's (1957) view of bounded rationality for individuals. I will propose that organizations possess knowledge-gathering and action processes that at best embody "*bounded localistic organizational rationality*."

This said, organizational units at all levels arrive at something analogous to beliefs (assessments of fact and probable future outcomes), assessments of priorities and their interactions, plans, and decisions (actions to take in the near and intermediate future). And governments make decisions at the highest level ("leave the EU," "raise taxes on fuel," "prohibit immigration from certain countries," etc.). How do the analytical and factual parts of this process proceed? And how does the decision-making process unfold in detail?

2. What Is an Organization?

An organization is a fairly specialized kind of social entity (Perrow [1972] 2014; Simon [1947] 1997). As a preliminary definition, we might say that an organization is a group of individuals engaged in an extended process of collaboration and who fall within a set of authority relations and networks of collaboration. An organization possesses a mission or purpose around which its activities are largely structured. An organization generally possesses a specialized division of labor, with different groups or units carrying out subtasks, under the overall supervision of an executive. An organization generally possesses an elaborate set of rules and practices governing the activities of its agents, and a system of supervision and enforcement to maintain the workings of the rules. Further, an organization exists within an environment of stakeholders and competitors, and it has a range of resources it can utilize to carry out its tasks (March and Simon 1993; Simon [1947] 1997).

Examples of social and economic organizations include universities, police departments, government agencies, corporations, retail businesses, nonprofit organizations, labor unions, and criminal syndicates. In each case, the staff of the organization are dependent for their livelihoods on continuing employment and are subject to a degree of control and oversight by the supervisors and executives of the organization. Their tasks are assigned by their job descriptions and supervisors, and performance is assessed by internal review processes. However, there is an important degree of information asymmetry between supervisors and workers at every level; supervisors have incomplete information about the effort and performance of employees (Arrow 1968). The organization possesses a set of intermediate and long-term goals and a set of operational rules for its employees. The health and viability of the organization are determined to some extent by its performance

relative to the expectations of external stakeholders, including investors, regulators, and the media.

3. Sources of Organizational Inconsistency

If an organization were an automaton governed exclusively by its mission and rules of internal authority and action, then the task before us would be a simple one. We would be able to trace out the processes of fact-gathering, priority-setting, planning, and action with precision, and the organization would resemble an extended but unitary agent. (This is roughly how Herbert Simon ([1947] 1997) characterizes organizations in his classic book, *Administrative Behavior*.) However, organizations lack these features of unity of belief, priorities, and action because of inherent features of their constitution. Just as friction is an inevitable part of any existing machine, given the material properties of the parts that make it up, there are important features of individual cognition and action that are inevitable parts of any kind of extended social process, and that lead to patterns of collaboration, self-serving, deception, and rule-breaking that disrupt the unity of belief and action by an organization.

Several important bodies of research provide compelling reasons to doubt the unity of an organization in its intentionality and action. This approach to organizations emphasizes several consequences of the fact that an organization consists of independent individual actors whose choices are only imperfectly directed by the authority structure of the organization. An office, an agency, a division, or a national government always consists of numerous independent actors and an executive who hopes to be able to direct their activities. However, public choice theory, organizational sociology, and numerous case studies in public administration demonstrate that this kind of social relationship is rife with divided purpose and intention. Here are some fundamental features of social organizations that are composed of various units of individuals, subject to various forms of social direction and control. These features are somewhat analogous to the fact of friction in physical systems: they are almost unavoidable features within systems of social interaction that can be minimized but not eliminated.

3.1. Principal–Agent Problems

Organizations (and all other forms of extended social cooperation) are subject to the reality that the interests of the actors within the organization are to varying degrees distinct from the wishes and directives of the executive of the group, and the supervisory powers of the executive are limited. Executives

issue directives, but their ability to command complete and precise confor-mance is limited. For example, a regional tax official in Manila wants the local tax assessors to provide honest assessments of the quality of farmland in their districts, but local assessors sometimes accept small gifts from farm-ers in exchange for a lower-than-justified assessment. The bishop in the capi-tal city wants the village priests to encourage young parishioners to refrain from dancing on Saturday nights; some of the priests omit this message because of their wish for good relations with the families in the village. The construction manager for a large project wants the skilled workers on the project to work intensively for the duration of the workday, but the skilled workers find ways of reducing their actual work time to only a few hours. A scientific funding agency wants to secure the public against pandemic viruses, but one of its funded research groups discovers a way of aerosolizing a deadly and highly contagious viral agent and seeks to publish its results. Each of these cases illustrates what social scientists refer to as a "principal–agent" problem: a divergence between the wishes and expectations of the executive and the purposeful actions of his or her agent. Fundamental to the problem is the information asymmetry that exists between principal and agent (Arrow 1968; Stiglitz 1989).

3.2. Conflict of Interest

Organizations assign individual actors to roles, and these roles define specific duties and responsibilities for the individuals who occupy them. These duties incorporate the defining mission and interests of the organization itself, as well as more specific mission and interests associated with the particular division and role within which the individual serves. An actor possesses a conflict of interest when he or she has economic, financial, or personal inter-ests that would lead him or her act in ways contrary to the duties defined by the role. Dennis Thompson (1993) defines conflict of interest in these terms:

> A conflict of interest is a set of conditions in which professional judgment concerning a primary interest (such as a patient's welfare or the validity of research) tends to be unduly influenced by a secondary interest (such as financial gain). Conflict-of-interest rules, informal and formal, regulate the disclosure and avoidance of these conditions. (Thompson 1993, 573)

When agents within an organization are in a situation of conflict of interest, there is always a temptation, conscious or unconscious, to tailor their actions in ways that serve their private interests (Rodwin 2011). When actors make choices based on the conflict that they experience, their actions are inconsis-tent with the overall purposes and mission of the organization.

3.3. Influence of Powerful Outsiders

Government agencies and corporate actions often have major implications for the economic and political interests of powerful outsiders—political figures, corporations, wealthy individuals, labor unions, or activist organizations. These outsiders are self-interested actors who are capable of perceiving the threat of proposed actions or the benefits associated with alternative actions, and they have the resources necessary to work against adoption of the proposed action or policy. The influence of powerful outsiders is most apparent in the case of government agencies. Through lobbying, public relations, bribery, exchange of favors, and other means, powerful outsiders are often able to influence the actions and deliberations of governmental agencies and officials (Culpepper 2010; Perrow 2011).

3.4. Loose Coupling

Governments and other large organizations function through departments and coordination among departments. As a result, many organizational purposes must be achieved through "inter-department collaboration." It is a feature of a group of departments within an organization that have dealings with each other that they may be loosely or tightly coupled (Weick 1976). Tightly coupled groups of departments have a high level of coordination, dense communication, protocols establishing authority relations and terms of cooperation, and established relationships among personnel in both organizations. Loosely coupled groups of departments have the contrary properties. They have weak protocols defining the terms of cooperation, often weak and intermittent communication, and a consequent low level of effective collaboration. Management theorists have argued that there are strengths associated with loosely coupled organizations, including a greater ability to innovate and adapt in a changing environment (Orton and Weick 1990). But when it comes to coordination of decisions and actions across separate organizations, it would appear that loose coupling is a prescription for failure. In Weick's (1976) original formulation the concept was applied to subunits within an organization, but the concept is also useful as a way of analyzing the functional relationships among organizations that need to collaborate in order to bring about a desired outcome (Orton and Weick 1990, 208).

3.5. Imperfect and Incomplete Communication

Coordination of planning and action by multiple agencies of government or a private corporation requires a reasonably high level of accurate communication among the parties (Simon [1947] 1997). However, communication

within a large organization is an ongoing challenge. Identifying the messages that need to be shared, formulating those messages accurately, creating the list of actors and offices who need to be part of the communications plan, and gaining the attention of the intended audience all create opportunities for imperfect communication. An office whose actions are critical to success of an initiative is inadvertently left of the list; a leader strategically withholds information in order to gain tactical advantage within the organization; a message makes a significant error of fact. All of these defects of communication are both mundane and perennial; and yet they create an environment in which fact-gathering, planning, and action can be significantly harmed. It is often a failure of communication that leads to the fact of "siloed" decision-making: decisions made by several divisions of an organization that are inadvertently subversive to initiatives undertaken by other divisions.

3.6. Organizations as Strategic Action Fields

Each of these features of organizational functioning leads to the substantial likelihood of cognitive and practical inconsistency in large organizations. Many of these limiting features of organizational intentionality can be incorporated into a powerful new way of thinking about organizations advanced by Neil Fligstein and Doug McAdam (2012) and their theory of strategic action fields. Fligstein and McAdam represent organizations as ensembles of agents-in-fields, at a range of levels. They maintain that "strategic action fields . . . are the fundamental units of collective action in society" (Fligstein and McAdam 2011, 3). Power and advantage play key roles in their construction: "We too see SAFs as socially constructed arenas within which actors with varying resource endowments vie for advantage. Membership in these fields is based far more on subjective 'standing' than objective criteria" (Fligstein and McAdam 2011, 3).

On this view, a large organization (General Motors, the State Department) should not be viewed primarily in terms of its formal hierarchical organizational chart, with executives directing and overseeing the activities of subordinate individuals and units, but instead as a shifting network of groups of individuals pursuing projects and goals, with specific sets of interests and powers that guide their actions. This description suggests a substantial degree of fluidity, as strategies and coalitions shift. It also undercuts the idea that the executives of the process are able to determine the actions and plans of subordinate groups with exactness.

Fligstein and McAdam demolish an important myth about formal organizations—the idea that the authority relations embodied in the organizational chart determine the behavior of the organization. Instead, they make the

point that a complex organization is a field of contention as well as collaboration, in which various players have distinct interests, powers, and alliances. The basic idea is that the fundamental structure of social life is "agents behaving strategically within a field of resources and other agents," and that this perspective is as relevant in organizations and firms as it is in social movements.

It is worth noting that this is not a wholly new approach to organizational theory. A similar approach was taken in 1977 by Michel Crozier and Erhard Friedberg (1977) in *L'acteur et le système: Les contraintes de l'action collective*. Crozier and Friedberg too looked at organizations as arenas of strategic and opportunistic action by agents and looked at organizations as solutions to problems of collective action. They emphasized the role of cooperation and alliances within organizations and highlighted the role of power within an organization. Fligstein and McAdam formulate the approach in a compact and theoretically compelling way.

There are several features of this approach that seem promising. One is the fact that it directly challenges the tendency toward reification that sometimes blocks sociological thinking—the idea that social "things" like states persist largely independently from the individuals who make them up. This new approach leads to a way of thinking about the social world that emphasizes contingency and plasticity rather than rigid and homogeneous social structures. Most importantly for current purposes, this way of theorizing organizations offers a very natural place for the kinds of organizational disjointedness described in this section: principal–agent problems, conflicts of interest, loose coupling, inadequate communication, and the influence of powerful outsiders.

4. Organizational Belief and Decision

Let us turn now to the principal question of how organizations think and act, and how the features of organizations highlighted here influence the characteristics of organizational intentionality. Ideally we would like to imagine a process of government decision-making that proceeds along these lines: careful gathering and assessment of the best available scientific evidence about an issue through expert specialist panels and sections; careful analysis of the consequences of available policy choices measured against a clear understanding of goals and priorities of the government; and selection of a policy or action that is best, all things considered, for forwarding the public interest and minimizing public harms (Simon [1947] 1997). Unfortunately, private interests, organizational dysfunction, and ideology often distort the implementation of this idealized process.

The decision by the EPA to ban DDT in 1972 is illustrative of the policy process. This was a decision of government by the Administrator of the EPA, which thereby became the will of government. It was the result of several important subprocesses: citizen and nonprofit organization (NGO) activism about the possible toxic harms created by DDT, nongovernmental scientific research assessing the toxicity of DDT, significant pressure exerted by industry groups advocating both a scientific position and a claim about serious economic harm to their industries, an internal EPA process designed to assess the scientific conclusions about the environmental and human-health effects of DDT, an analysis of the competing priorities involved in this issue (farming, forestry, and malaria control vs. public health), and a decision recommended to the Administrator and adopted that concluded that the priority of public health and environmental safety was weightier than the economic interests served by the use of the pesticide (Dunlap 1978; National Research Council and Wurster 1975; U.S. EPA 1975). The process involved hundreds of scientific experts, environmental activists, and industry advocates, and involved a multistep process of fact-gathering and assessment. Here is the description of the process provided by the official EPA description of the process and findings:

> This EPA decision to bar continued use of DDT in the United States was not a precipitous, unilateral action taken by EPA in a vacuum. To the contrary, the decision followed a long and complex sequence of events and was based on a substantial body of information on the benefits and costs of DDT. The following sections will examine these circumstances in some detail. (National Research Council and Wurster 1975, 2)

Crucially, students of science policy can carefully trace through the processes through which reports are gathered, compiled, assessed, edited, and either accepted or rejected. The study of science and technology public policy offers numerous case studies of this kind of process, including Susan Wright's (1994) study of the politics of regulation of recombinant DNA and numerous studies of the development of U.S. policy concerning ozone depletion. This is a good illustration of "government making up its mind."

The process leading to the EPA ban of DDT was as close to the ideal of science-policy rationality as we are likely to achieve. Industry opposition to the ban was present, but the ability of industry to delay or obfuscate this issue was limited at the time. However, this is not typical of the science-policy issues that have arisen since the 1960s. Major science-policy issues including the risks of tobacco smoke, the ozone hole, acid rain, and global warming have been subject to increasingly effective tactics designed to undercut the

credibility and authority of a science-led process of policy formation. In *Merchants of Doubt*, Conway and Oreskes (2011) document the powerful and sometimes determining role that industry-supported think tanks and industry-associated experts have been able to inject into the policy process. Oreskes's work on the politics and methods of science denial is substantial and convincing. As an historian of science, Oreskes has carefully traced the pathways through which business interests have exerted themselves to affect the outcome of a range of scientific debates: for example, the harmful effects of tobacco, acid rain, the reality of an ozone hole, and the reality of global warming. She traces the influence that conservative think tanks and corporations have had on the scientific debates over these issues. But more, she demonstrates that a small number of conservative nuclear scientists have played a key and recurring role in drumming up spurious attacks on the scientific credentials of researchers in a number of these fields.

Oreskes and her colleagues make a very troubling case for the likelihood that good scientific research on controversial issues will be drowned out by money and astute public relations strategies by self-interested corporations. And ultimately this possibility has potentially devastating results for public health and our global future, if the public and our policy makers succumb to this attack on science. Conway and Oreskes (2011, 234) write, "the network of right-wing foundations, the corporations that fund them, and the journalists who echo their claims have created a tremendous problem for American science." Ironically, Conway and Oreskes (2011, chapter 7) show that the DDT decision itself has come under exactly that kind of attack in the past 10 years. Out of such a process, no rational observer can expect outcomes and policies that embody the basic qualities of rationality that "organizational knowledge" would require.

These cases of science and technology policy illustrate two dimensions of the processes through which a government agency "makes up its mind" about a complex issue. There is an analytical component in which the scientific facts and the policy goals and priorities are gathered and assessed. And there is a decision-making component in which these analytical findings are crafted into a decision—a policy, a set of regulations, or a funding program, for example. It is routine in science and technology policy studies to observe that there is commonly a substantial degree of intertwining between factual judgments and political preferences and influences brought to bear by powerful outsiders.

So government, as well as other large organizations and corporations, arrives at beliefs and decisions through a process that involves a somewhat orderly process and a division of labor among experts and managers. But it is also a process that experiences distortion, pressure, and conflict of interest that have profound cognitive and epistemic consequences.

5. Organizational Action

Let's turn now to "organizations as actors." How do corporations, agencies, and governments put their decisions into practice? Take the topic of government regulation as an important example. Government regulations are intended to limit and constrain the actions of private actors in the economy and civil society. Governments enact regulations through processes something like those described in the previous section. Key regulatory agencies include the EPA, the Food and Drug Administration, the Federal Aviation Administration, and the Nuclear Regulatory Commission. Regulation requires scientific judgment for establishment of facts and risks, the subject of the previous section. It then requires effective action, both within the regulatory agency itself and with regard to the private actors who are subject to regulation. The purpose of the regulations is to change the behavior of other actors—companies, villages, food and drug manufacturers, and private individuals. How does government enact its will?

A fundamental problem for understanding the mechanics of government is the question of how the will and intentions of government (policies and regulatory regimes) are conveyed from the sites of decision-making to the behavior of the actors whom these policies are meant to influence. How does the will of the agency work its way through its subdepartments and offices, widely dispersed over geography and beyond direct supervision from the center? How, that is, does government manage to control its own actions, given that its actions are composed of the actions and interests of multiple layers of individual actors? How does it ensure that policies adopted will be faithfully implemented by its agents?

This is the principal–agent problem discussed above. Implementing and applying a government policy or regulation requires a chain of behaviors by multiple agents within an extended network of governmental and nongovernmental offices. It is all too evident that actors at various levels have interests and intentions that are important to their choices; and blind obedience to commands from above is not a common feature within any organization. Instead, actors within an office or bureau have a degree of freedom to act strategically with regard to their own preferences and interests. What, then, are the arrangements that the principal can put in place that makes conformance by the agent more complete? This is a key problem for the design of any organization, and many mechanisms for compliance exist (direct supervision, audits, training, cultivation of common values, and so on). However, it is clear that all these mechanisms fall far short of complete effectiveness. This is the key finding of organizational researchers, including Perrow, Fligstein and McAdam, Crozier and Friedberg, and a host of other organizational theorists who pay attention to the facts of individual agency and strategic behavior within organizations.

Further, there are always multiple nongovernmental entities and actors who are affected by governmental policies and regulations. They too have the ability to act strategically in consideration of their preferences and interests. And some of the actions that are available to nongovernmental actors have the capacity to significantly influence the impact and form of various governmental policies and regulations. The corporations that own nuclear power plants, for example, have an ability to constrain and deflect the inspection schedules to which their properties are subject through influence on legislators, and the regulatory agency may be seriously hampered in its ability to apply existing safety regulations.

It should be clear from what has preceded that any model of organizational intentionality depending upon frictionless application and implementation of policy is flawed at its core. Such a model overlooks a fundamental fact about all organizations, large and small: that organizational action is never automatic, algorithmic, or exact. Implementation and application of policy proceed through individual actors in particular circumstances guided by particular interests and preferences. The will of an organization or agency is always conveyed by intermediate actors who have their own understandings and preferences about policy; and it works in an environment where powerful external actors are almost always in positions to blunt the effectiveness of the will of the organization. As a result, it is likely to be imperfect in the best of circumstances and entirely ineffectual in other circumstances.

So how can organizations achieve a degree of coherent action in the application and implementation of a policy? The model of organizations as "strategic action fields" discussed above provides a theoretical space within which to attempt to answer this question. Organizations could not function at all if there were not mechanisms available that secured a significant degree of compliance across this broad range of individual actors so as to bring about policy implementation and compliance. It is important therefore to look more closely at the ways that organizations gain compliance from their agents. What are some of the primary mechanisms through which an organization manages the behavior of its agents so as to bring about execution of its intentions?

Herbert Simon ([1947] 1997) regards this as one of the most fundamental questions that organizational theory must confront. This is the problem the executive faces of bringing about the efficient, effective, and loyal performance of assigned tasks by operatives. Simon refers to three kinds of influence that executives and supervisors can have over "operatives": formal authority (enforced by the power to hire and fire), organizational loyalty (cultivated through specific means within the organization), and training. Formal authority is useful only if executives can gather information about the behavior and performance of subordinates, so arrangements of supervision and

performance evaluation are crucial for an organization's ability to enact its will. But this raises the principal–agent problem all over again; how can the faithful performance of the supervisor be ensured? For reasons like these, Simon believes that the other two avenues of compliance are at least as important. Organizational loyalty involves the idea that agents throughout the organization are internally motivated to act in ways that support the organization. Training involves the idea that the mental frameworks and belief sets of operatives, mid-level managers, and supervisors are established in ways that support the smooth functioning of the organization.

It is apparent that correction of deviant behavior within an organization (low commitment, deviation from role responsibilities, conflict of interest) requires *observation, diagnosis*, and *incentive alignment*. It is necessary that executives and supervisors should be able to observe the deviant behavior; it should be possible to trace the connection between the failure and the organizational features that lead to it; and there should be some way of aligning the incentives of the actors within and around the organization so that their best interests are served by their taking the steps necessary to correct the deviant behavior. If any of these steps is blocked, then deviant organizational behavior can persist indefinitely.

Each of these organizational mechanisms has some efficacy. But they fall short of perfection; they do not suffice to create an environment where we can be entirely confident that the agents within the organization will faithfully carry out the intentions of the principals. All of these organizational strategies serve fundamentally as attempts to solve *principal–agent* problems within the organization described above. The principals of the organization have expectations about the norms that ought to govern behavior within the organization. These mechanisms are intended to increase the likelihood that there is conformance between the principal's expectations and the agent's behavior. And, when they fail, several of these mechanisms are intended to make it more likely that bad behavior is identified and corrected.

Given these challenges facing organizational action, what should we expect of an organization's ability to implement and enact its decisions? These observations suggest that organizational action will be less effective than one might expect or desire. There will be a tendency for slippage between the formal intentions of the organization and the actions of individuals throughout the organization because of loose coupling and unresolved principal–agent problems. There will be a selectivity of focus deriving from the fact that both attention and resources make full execution of organizational intention all but impossible. And, because of the perennial possibility of influence by powerful outsiders, execution of organizational intention will be distorted in application to otherwise urgent problem areas.

6. Organizations and Persons as Intentional Agents

How does organizational intentionality compare with human thought and action? Considerations provided here allow us to conclude that organizational intentionality is substantially different from individual human intentionality. These differences turn on the unity of human action compared to the fundamental disunity of organizational action. An individual human being gathers a set of beliefs about a situation, reflects on a range of possible actions, and chooses a line of action designed to bring about his/her goals. An organization is disjointed in each of these activities. As noted here, the belief-setting part of an organization usually consists of multiple separate processes culminating in an amalgamated set of beliefs or representations. This amalgamation often reflects deep differences in perspective and method across various subdepartments. And extraneous external influences are deliberately aimed at interfering with the findings of the belief-setting processes. (Consider inputs into an international crisis incorporating assessments from intelligence, military, and trade specialists, and consider the decision-making process at the Federal Aviation Agency in a circumstance of heavy political pressure from a major aircraft manufacturer.)

Second, individual intentionality possesses a substantial degree of practical autonomy when it comes to adopting a set of beliefs. The individual assesses and adopts the set of beliefs that seem best to him or her in current circumstances. An organization in its belief-acquisition is subject to conflicting interests, both internal and external, that bias the belief set in one direction or the other. (This is the central thrust of experts on science policy like Naomi Oreskes [Conway and Oreskes 2011].) The organization is not autonomous in its belief-formation processes.

Third, an individual's actions have a reasonable level of consistency and coherence over time. The individual seeks to avoid being self-defeating by doing X and Y while knowing that X undercuts Y. The individual has a significant degree of "executive" control over his or her actions, with an ability to attempt to ensure that actions and strategies are consistent with each other. In contrast, a large organization—a government or corporation—is entirely capable of pursuing a suite of actions which embody exactly this kind of inconsistency, precisely because the actions chosen are the result of multiple disagreeing subagencies and officers.

Fourth, we have some reason to expect a degree of stability in the goals and values that underlie actions by an individual. But organizations, exactly because their behavior is a joint product of subagents with conflicting plans and goals, are entirely capable of rapid change of goals and values. Deepening this instability is the fluctuating powers and interests of external stakeholders who apply pressure for different values and goals over time.

This line of thought suggests that organizations lack "unity of apperception and intention." There are multiple levels and zones of intention formation, and much of this plurality persists throughout real processes of organizational thinking. And this disunity affects all levels of intentionality, including belief, policy, and action. Organizations are not univocal at any point. Belief formation, intention formation, and action remain fragmented and multivocal.

Another important contrast derives from the fact that human thinkers are at least potentially epistemic thinkers—they are capable of following disciplines of analysis, reasoning, and evidence in their experiential engagement with the world. By contrast, because of the influence of interests, both internal and external, organizations are perpetually subject to the distortion of belief, intention, and implementation by actors who have an interest in the outcome of the project. And organizations have little ability to apply overriding rational standards to their processes of belief, intention, and implementation formation. Organizational intentionality appears to embody substantially weaker mechanisms of rational control.

Consider finally the topic of action and the execution of intentions. Human actors suffer various deficiencies of performance when it comes to purposive action, including weakness of the will and self-deception. But organizations are altogether less capable of effectively mounting the steps needed to fully implement a plan or a complicated policy or action. This is because of the looseness of linkages that exist between executive and agent within an organization, the perennial possibility of principal–agent problems, the potential interference with performance created by interested parties outside the organization, and the likelihood of a change of orienting goals and purposes mid-stream.

There is a suggestive analogy between these conclusions about organizational intentionality and the paradoxes of social choice and various voting systems governing a social choice function. Kenneth Arrow demonstrated it is impossible to design a voting system that guarantees consistency of choice by a group of individual consistency voters. The analogy here is the idea that there is no organizational design possible that guarantees a high degree of consistency and rationality in large organizational decision processes at any stage of quasi-intentionality, including belief acquisition, policy formulation, and policy implementation.

7. Assessment

These considerations suggest a theory of organizational rationality that parallels Herbert Simon's theory of bounded rationality for individual decision-makers. Organizational thinking is often locally rational; it proceeds through

a distributed system of actors and offices that are disjointed in their intentions and purposes; the priorities and objectives themselves lack unity and stability; the processes of organizational thinking are frequently influenced by extraneous forces; these processes depend upon selective and incomplete information; there is commonly incomplete communication across divisions; and the results of this kind of dispersed kind of knowledge and action are rarely coherent over the whole organization. We might refer to this interpretation of collective knowledge-gathering and action processes as "*bounded localistic organizational rationality*." A large organization is in some ways more like a slime mold than it is like a control algorithm in a factory, proceeding through a series of semi-myopic steps, responding to changing demands and conditions, with poor overall direction (Jabr 2012).

Acknowledgments

Declaration of Conflicting Interests

Funding

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