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Decision Making in an Organization without Managers

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Abstract

This paper discusses the phenomena of an organization that has chosen to structure their firm without hierarchical layers and management positions, and how decision making unfolds in an organization as such. The research is conducted on a Gothenburg-based “app” firm, through an in-depth case study. Due to the lack of managers, the company has chosen to distribute the leadership among all organizational actors. The aim of this paper is therefore to answer how organizational activities such as decision making plays out in a firm structured without managers. Our findings show that an organization who tries to break out of the institution by not having managers, makes decisions through four different constellations; individual, small teams, big team and combined. Thereby, decision making appears to be a social process. Furthermore, the study shows that these four processes are impacted by the institutional pressure the organization experiences, but also adapted to the characteristics of the decisions that are to be made.

Keywords

Decision making, Organization without managers, Distributed leadership, Institutional theory, Social process

Introduction

Imagine an organization where there are no managers, all decisions are made democratically and the salaries are decided together by the employees. Sounds like a fairy tale? (Tuvhag, 2014)

Due to the on-going globalization and open markets, many organizations are exposed to increased competition (Naor, Linderman & Schroeder, 2010). Additionally, in the business world practitioners argue that firms often experience decreased efficiency, which is considered to be due to inefficient organizational structures and unnecessary hierarchies. An organization with several management layers can lead to slower responses, the argument goes, since each decision has to involve the right employee from the right position.

Furthermore, managers' willingness to show authority can hinder a decision from being made, rather than facilitating the process (Hamel, 2011).

Already in the 1980's, Jan Carlzon influenced the business world with his theories of flat organizations and the removal of management layers (Hultman, 2014). Today, many organizations have chosen to take it one step further by removing management positions and layers completely (Williams, 2014). One example is a Swedish manufacturing firm that has been running their organization for over 25 years without any hierarchical levels, and all the decisions are made democratically by voting. According to the company's own account, the lack of managers has led to an environment where all employees feel a high level of commitment and are eager to contribute (Tuvhag, 2014). An American food company has also implemented a similar approach, and argues that it is possible to have an organizational structure without any formal managers. Ultimately, this means that the success or failure of a decision instead rests with the organizational members (The Freeman, 2013). These practical examples both point to the importance of decision making in firms without a formal hierarchy. However, research and theories about particular characteristics of decision making in these types of organizational structures are rare.

Previous research has focused on the impact of leadership in traditional organizations with managers (Currie, Lockett & Suhomlinova, 2009; Bienefeld & Grote, 2011; Supovitz & Tognatta, 2013). For example, one group of scholars have for a long time argued that leadership and organizational activities, e.g. decision making, should be adapted contextually (Supovitz & Tognatta, 2013). In this context-focused group, Currie, Lockett and Suhomlinova (2009) show there are institutions that make organizations implement specific leadership approaches. They further describe how this institutional pressure results in the implementation of institutionalized processes of decision making, as this is a way for organizations to gain legitimacy. Similarly, Supovitz and Tognatta (2013) agree that leadership is a contextual matter, but their findings indicate that organizations engaging all members in the leadership processes have a significantly higher level of collaboration and trust. In line with these arguments, previous research by Bienefeld and Grote (2011) has shown that teams that collaboratively make decisions will implement the decision faster and feel more committed, compared to a group where a leader individually makes decisions.

Engaging all organizational members in the leadership process is however shown to be a catch 22-situation, which means leaders are often criticized for both making self-reliant decisions, but also when delegating the decision making authority to others. The criticism stems from the team experiencing low trust from the leader if the team is not included in the process, while simultaneously expecting the leader to be responsible for tough decisions (Currie, Lockett & Suhomlinova, 2009). Moreover, research by Supovitz and Tognatta (2013) also indicates difficulties with a lack of formal leaders and stress how teams that are making decisions collectively need more time to reach a final choice.

Although it has become more common for organizations to remove management positions (Williams, 2014) and engage the employees with a flatter structure (Nilsson, 2010), there still exists limited research. In addition to the previous studies, other literature focus on the phenomena of an organization breaking out of an institution by using distributed leadership (Thorpe, Gold & Lawler, 2011). Previous research (e.g. Berger & Luckmann 1967; Meyer & Rowan, 1977; Judge & Zeithaml, 1992) has defined institutions as

classifications embedded in society, such as rules and norms, which are shared patterns that unconsciously guide behavior. As stressed by Judge and Zeithaml (1992), understanding institutional pressure can be one way of describing how decision making processes are constructed and how members of organizations make and implement selected choices. This study takes an institutional approach to show how decisions are made in an organization that uses distributed leadership. Based on March's (1991) theories on decision making, a decision is in this research defined as an initiative resulting in a choice, thus, we have searched for patterns when a group or an individual has identified a need brought up for discussion, leading to a final choice of alternative.

In sum, previous studies have analyzed organizational activities in firms using distributed leadership, but without showing *how* these processes work in practice. Furthermore, these studies have mainly been conducted within the educational sector (e.g. Leithwood, Mascall, Strauss, Sacks, Memon & Yashkina 2007; Currie, Lockett & Suhomlinova, 2009; Bolden, Petrov & Gosling, 2009; Supovitz & Tognatta, 2013), which means other empirical fields are lacking research. In other words, the previous studies reviewed here indicate a need for more research on distributed decision making, in other empirical fields besides education, particularly focusing on how the decisions actually play out in practice, with institutional pressures impacting. In this thesis, we report on a study that sets out to do exactly this.

To better grasp this phenomena, we have chosen an organization for this case study that has diverged from the institution where formal managers make decisions, and instead created another kind of structure. The chosen case company does not have any formal managers, instead all 26 employees operate on the same level. The Gothenburg-based "app" firm was founded in 2010 and has rapidly grown since their start. By using the concept of distributed leadership in the study, we want to contribute to an understanding of how decisions are made when leadership is divided across the organization considering the lack of formal managers.

Against this background, the purpose of this paper is to investigate how decisions are made in an organization without formal managers. By analyzing this phenomenon with help from the chosen theoretical framework, we aim to understand how the distributed decision making processes play out in practice, impacted by institutional pressure and leadership.

Continuing this article we first present a theoretical framework, where decision making from an institutional theory perspective is described. Thereafter, selected previous research on distributed leadership is outlined. Secondly, the methodological chapter motivates the qualitative interviews and observations that were the foundation of the research process. Thirdly, our empirical findings are presented. Fourthly, an analysis is conferred, based on the four identified decision making constellations. Following this, a discussion is outlined where we compare our results with previous studies of distributed leadership. Finally, the concluding remarks and implications for future research are presented.

Decision Making From an Institutional Theory Perspective

The following section will provide an outline of our theoretical framework, which is an institutional approach to decision making. We argue that concepts of decision making and

institutional theory can enhance our understanding of distributed leadership, since the institutional perspective better can help us comprehend how pre-decided patterns of actions can affect organizational activities, such as leadership and decision making (Currie, Lockett & Suhomlinova, 2009). In this section, we will explain and define the concepts of decision making and institutional theory, which are central to this study. We will thereafter review a selection of previous studies and literature regarding distributed leadership to show how this perspective adds to this field.

Scholars have long argued what a decision implies and how the process impacts the organization. Previous research highlights different processes of decision making with focus on traditional organizations. Yet, one seminal example is March (1991), who views decision making from three different perspectives, namely that decisions can be perceived as a rational choice, a rule-based action, or decisions as a social process. These three perspectives differ mainly in their view on what decisions are, but this also has implications for how they are carried out in practice.

The first perspective presented by March (1991) describes decisions as a rational choice, which means that human actions are the result of the choices that are made. A decision is therefore an intentional, consequential action that is based on knowledge of alternatives, knowledge of consequences, a consistent preference ordering and a decision rule. Choosing the alternative that is expected to generate the most value therefore makes the decision. For a human to make a rational choice, it implies assuming guesses about the future. However, March (1991) stresses there are informational limits on human choice, and that future preferences are hard to predict. Moreover, as decision making implies loosely coupled understandings and interpretations, the process of decision making accentuates trust and loyalty. Thus, trust and loyalty are hard to preserve in an organization, and being thought of as a trustworthy colleague will thereby result in decision making power (*ibid.*).

The second perspective outlined by March (1991) describes a decision as a vision driven by logic of appropriateness, which is implemented by a system of organizational rules, instead of logic of consequences. This means organizations follow certain standards and institutional structures created by the collective, resulting in organizational members not purely acting in their own interest. A decision is thereby made by using appropriate rules for the individual in the organization to follow (*ibid.*).

The first two perspectives that March (1991) outlines, imply that decision making is solely concerned with making a decision, however, they ignore the contextual aspects around it. Thereby, the third perspective challenges the idea of a decision making process, and rather describes it as a social process, where decisions are developed continuously through overlapping networks, discussions and meetings, and not from hierarchies. These rituals provide a symbolic action for decision making, which gives the process meaning. Classic ideas explain a choice as the relation between a problem and the solution, and describe how organizations only are hierarchies where higher levels control the lower levels, and where different policies control the implementation of a decision. In contrast, March (1991) argues that the decision making process involves a collection of different individuals, that concurrently are engaged in other social processes. Thereby, to understand a decision, one has to understand the individual behind it and the combination of different individuals can therefore result in various decisions. This means, what occurs inside an organization is purely

a coincidence and not the result of rational choices made by an individual. Based on these perspectives presented by March (1991), the understanding of decision making can be influenced by the chosen perspective, which we also argue is just as relevant in and organization without managers.

Institutional Theory - Understanding Organizational Actions

In addition to decision making perspectives, organizational activities can be impacted by institutional pressure and norms. Institutional theory has become a prominent and useful explanation for both organizational and individual actions (Dacin, Goodstein & Scott, 2002). Institutions or institutionalized rules can be defined as classifications that are embedded in society as shared patterns of action or interpretations (Berger & Luckmann 1967; Meyer & Rowan, 1977; Judge & Zeithaml, 1992). Furthermore, institutions guide behavior and unconsciously help people select among various choices (Judge & Zeithaml, 1992). It involves the process where social interactions and obligations are translated into rule-like thoughts and actions that are taken for granted. Due to rationalized concepts of how to organize work, Meyer and Rowan (1977) further argue that organizations are forced to incorporate practices and procedures that are decided upon beforehand. Therefore, organizational structures might not reflect the demands of the required work activities (ibid.). Since institutions often are explained as taken for granted actions (DiMaggio & Powell, 1983), it can serve as an explanation of why certain actions or decisions are made (Judge & Zeithaml, 1992). Therefore, the concept of institutions is a tool to explain how organizations shape various policy and management situations, such as decision making processes (Judge & Zeithaml, 1992).

Some authors argue that most organizations and organizational activities are becoming more homogeneous. In a company without any formal managers, the decision making process *could* however be constructed different. Already in their classical work, DiMaggio and Powell (1983) described how organizations were becoming more similar, not only in their relationship to the external context, but also when it came to their everyday micro practices inside the organization. DiMaggio and Powell (1983) identified mimetic, normative and coercive pressure to explain how organizations within the same field became more alike each other. In contrast, Erlingsdóttir and Lindberg (2005) emphasize that the institutionalization should be studied from the inside of an organization. Even though our study is focused on the internal processes and not on field level, we will draw upon these three pressures identified by DiMaggio and Powell (1983), to increase the understanding of how the decision making processes unfold within an organization without any managers. Since the existence of institutions can explain social processes and organizational actions, the institutional perspective can be a way of understanding what occurs *inside* an organization, and where organizational activities stem from.

Organizational activities can be very similar inside organizations, as they might originate from institutional pressure on field level. The *mimetic* pressure identified by DiMaggio and Powell (1983) refers to the imitation of other successful organizations within the same field. This means that the organization imitates a successful company in processes such as decision making, and thereby implementing a procedure that has generated good results before. The *normative* pressure primarily stems from professionalization and refers to

the norms of how organizations often recruit and bring in people with similar background and education, and thus act homogeneously to the professional standards. These employees might often have the same approach when solving a problem or dealing with other organizational activities. Furthermore, the *coercive* pressure is based on laws and regulations, which refers to how organizations have to adjust to the legislation the context around them has decided upon (DiMaggio & Powell, 1983). These three institutional pressures might therefore impact how a decision making process plays out inside an organization.

In organizations, the decision making process has become institutionalized since most firms tend to follow similar patterns of practices in order to reach agreement on what should be done, such as having regular decision making meetings, but also by organizing a hierarchy of responsibility in assigning different roles and managers (Judge & Zeithaml, 1992). In line with this perspective, the norms of how a decision should be made can be deeply rooted in institutionalized ideas about organizations, and might therefore turn into a dilemma in a firm without formal managers.

To conclude, our society is filled with several institutions, by which social practices and norms such as organizing, leadership and decision making are influenced. An institution tells us how organizations *should* be structured and act, e.g. with management hierarchies and in decision making processes. These are shared patterns of action that are taken for granted, and an explanation for both organizational and individual actions, that result in firms performing in similar ways. Additionally, organizations can experience mimetic, normative and coercive pressure, which impact how decision making processes and other activities unfold in practice. Decision making is a process which looks similar in most organizations, but can be played out differently depending on if a decision is approached as a rational choice, a system of organizational rules or as a social process. This could therefore impact decision making and leadership in an organization structured without hierarchical layers.

With this background, we claim that institutional theory is a valuable framework to better understand and explain how an organization takes on different activities, which in this paper concerns decision making. By observing an organization through an institutional lens, it helps us to explain and understand how the decision making process is impacted by norms that are shared in an organizational field. In order for us to describe and analyze how decisions are made in an organization with lack of hierarchy and formal roles, we have chosen a decision making-, and institutional theory perspective, to contribute to the field of distributed leadership.

Selected Previous Literature on Distributed Leadership

Organizational research has previously identified leadership as a crucial element for decision making. For example, in their textbook, Iszatt-White and Saunders (2014) argue that scholars have essentially thought of leadership as centered around one person, which means certain characteristics are needed for an individual to become a leader. The leader is an individual positioned at the top of the organization who creates a vision, set directions and makes decisions. In other words, it is the leader's responsibility that the organization achieves its purpose and goals (Iszatt-White & Saunders, 2014). However, according to Thorpe, Gold and Lawler (2011) there is a lack of empirical evidence that shows the great level of influence from one single person.

In line with this critique and as a response to the traditional view of leadership, the concept of distributed leadership has been developed based on the observation that leadership is not something reserved for one individual. The focus is instead on the organizational members' interaction, as well as on the situational context where they are working (Gronn 2000; Iszatt-White & Saunders, 2014). In contribution to this line of research, Thorpe, Gold and Lawler (2011) explain that distributed leadership is centered on co-joint actions, and it is not a question of role or position. Similarly, research (e.g. Gronn 2000; Bolden, 2011) stress that distributed leadership provides a shift in focus to a systematic perspective in which leadership is considered a collective, social process from several actors, instead of behavior from one individual leader. In other words, distributed leadership is not something done by one person to others, but rather a set of collective actions inside a group (Bolden, 2011), occurring bottom-up or top-down in an organization (Bolden, Petrov & Gosling, 2009). Furthermore, a paper by Leithwood et al. (2007) shows that distributed leadership does not decrease the need for formal leadership, but rather increase the demand of coordinated activities and clarified roles. Previous studies (e.g. Currie, Lockett & Suhomlinova, 2009) also demonstrate that the concept of leadership is an established institution, while they consider distributed leadership an alternative institution in the making, as it is not fully embedded in a broader institutional system. Thereby, it is still challenging the traditional view of what leadership is (Currie, Lockett & Suhomlinova, 2009). Nevertheless, distributed leadership challenges the idea of leadership as one individual.

Research has identified the collective mindset of distributed leadership to influence all activities within an organization. For example, a study by Benson and Blackman (2011) shows how it is hard to state what should be included or practiced in distributed leadership, however, it often consists of two mechanisms; *collective responsibility* and *collective flexibility*. Collective responsibility means that organizations have several leaders who carry out modest leadership tasks and together enable the leadership as a whole. Their research stressed how distributed leadership impacts decision making in a beneficial manner, since the combination of every person's unique skills is used (Benson & Blackman, 2011). When making a decision, the power of the collectivity is therefore crucial, according to the approach, since the involvement of the group strongly correlates with better team performance. Furthermore, research has identified how the higher level of trust within a team derives from collaborative decision making, and to retain this trust it requires a person with the right ability and knowledge to make the decision (Bienefeld & Grote, 2011). However, for the collective responsibility to work in practice, the study by Benson and Blackman (2011) indicates there must be a shift from traditional hierarchical organizational structures to an organization where boundaries are undefined and more flexible. This will lead to distributed leaders that can take on leadership roles when necessary and make the decisions that are needed (ibid.).

The belief with distributed leadership is that decisions can either be made individually by all members of the organization or on collective level, based on the circumstances. However, Supovitz and Tognatta (2013) explain how distributed leadership is based on the idea that decisions should be made in groups, and spread to different degrees across organizations. Additionally, there are strong empirical evidence that structuring decision making as a group can lead to an advantage for organizations, and that groups should

generate better decisions in comparison to individuals (Supovitz & Tognatta, 2013). When an organization operates in a competitive environment, research shows that a decision making process is often faced with challenging conditions and a high probability for errors (Bienefeld & Grote, 2011). Moreover, research demonstrate it is often more time consuming to use “the collective brain” to make a decision, in comparison to one responsible leader (Supovitz & Tognatta, 2013). The use of the collective may thereby be one reason why organizations choose to structure their decision making processes differently, by implementing distributed leadership.

To conclude, traditional leadership is thought of as a person characterized by certain attributes where it is the leader's responsibility to make sure the organization reaches its purpose and goals. The idea of distributed leadership challenges this institutionalized idea by focusing on the collective action and the social interaction of people in coordinated activities, e.g. when making decisions. Based on the outlined studies, we argue there is a gap in the field of distributed leadership, since previous research have analyzed organizational activities that are affected by distributed leadership, but without showing *how* these processes unfold in practice. Furthermore, earlier studies have mostly been conducted within the educational sector, which means other empirical fields are lacking research. With our paper, we will add to existing literature by providing the field with a case on distributed decision making in an organization without managers.

Setting and Methodology: Introducing the Case Company

The Gothenburg based company used in this case study was founded in 2010 and has since then grown tremendously. Their business is centered around their smartphone app, which got 300 000 users in its first month, compared with today's 3 million. Today the firm has 26 employees and revenues at 25 million SEK. In addition to their successful business, their aim is to create the world's best office where their employees want to stay their whole careers. Therefore, the office is located at one of the best locations in the center of Gothenburg and has a unique setting that was designed together by all the employees. It is three floors high and each floor is large and spacious. The office has a gaming room, a bar, ball pool and several areas where the employees can socialize. The organization is structured without any formal managers or hierarchies, meaning that all employees are operating on the same level. The firm is fully self-funded, and thereby the board of directors only has an advisory role. Three out of the 26 employees at the case company are women, and the rest are men. The majority has a university degree within fields such as programming and business administration. The case company was mainly chosen due to their unique approach of running a business, as well as the convenient location in Gothenburg that provided us with the opportunity of a close collaboration, as recommended by Eriksson and Kovalainen (2008).

Design of Study

As the intended outcome of this study is to understand how the decision making process unfolds in practice in an organization without formal managers, a qualitative approach is selected. A case study is appropriate according to Flyvbjerg (2006) as it provides a reliable,

detailed examination about a single example. This approach is suitable to use in order to deeper understand a complex phenomena in its specific setting, and recognize how people interact in different situations (Silverman, 2011). This is highly important for this study, since the main focus is to understand *how* the decision making process works in practice. The use of only one case has been criticized by other researchers (e.g. Campbell & Stanley, 1966; Dogan & Pelassy, 1990) for not being valid enough or proving scientific value. However, Flyvbjerg (2006) argues that the result from a case study provides in-depth knowledge and can be generalized, even if the information is gathered from one organization only. Thus, we are aware of the limitations of only using one case, but considering the purpose of our study this will not prohibit any final results.

The data collection for this paper was divided into different phases. We have chosen to use a mixed method approach, as presented by Silverman (2013), which means both interviews and observations have been conducted. Thus, we are aware of Silverman's (2013) recommendations that extended analysis skills are required, to find the necessary information for this specific study. The first step was to hold an interview with an employee who is responsible for the organizational structure and questions regarding the personnel. This was to gain a better understanding about the organization itself, but also to increase the knowledge about the company and how business activities unfold in practice. After this, interviews were held with other employees at the firm to find out and increase the knowledge about how the organization works in practice, mainly regarding the decision making. In order to complement the interviews, observations were simultaneously conducted to better grasp what occurs within the organization.

Collection of Field Data

To get primary data, interviews were held with employees from the whole organization. The first interviewee was used as the informant in a so-called snowball sample, which helped us find the right interview candidates, as recommended by Silverman (2013). All interviews were semi-structured, which means that questions and topics were decided upon in forehand. However, the intention was not to ask all interviewees the same questions, but rather to create a stimulating, relaxed conversation. According to Czarniawska (2014), open interview questions allow the participants to talk more freely, instead of strictly answer specific work-related questions. The interviews were therefore based on open themes with follow-up questions, which gave the interviewees an opportunity to share as much information as possible in a natural way, as in line with Silverman (2013).

All interviews were held at the case company's office to create a relaxed and comfortable session for both parts. As the interviews were held face-to-face, this gave us the opportunity to grasp and interpret the participants' facial expressions, body language and attitudes, which according to Silverman (2013) is favorable. The interview sessions were around 45 minutes long, depending on the employee's willingness to talk, and held in Swedish or English based on the mother tongue of the participant. Each interview was recorded and later transcribed to perceive all information and details (Czarniawska, 2014). Furthermore, notes were taken during the interviews, but the main focus was on listening to not lose the personal interaction. In total, 15 interviews were conducted with employees with different time of employment, as shown in table 1. As it was found that the employees had

different opinions regarding various questions, we found it interesting to derive the different opinions to the employees' time within the organization.

Years of Employment	# of Interviews
0 - 6 months	1 (employee 1)
7 months - 1 year	4 (employee 2, 3, 4, 5)
< 1 - 2 years	4 (employee 6, 7, 8, 9)
< 2 - 3 years	3 (employee 10, 11, 12)
< 3 years	3 (employee 13, 14, 15)
Total	15

Table 1: Years of employment among interviewees

In order to complement our interviews, observations were made simultaneously to ensure that patterns and activities were correctly understood (Czarniawska, 2014). Observations are an important tool when studying a social phenomenon to gain a deeper knowledge and understanding of the firm (Silverman, 2013). In total, nine observations were made, by attending meetings, staff lunches and coffee breaks. By doing so, we were able to find out what the employees are doing and saying on a daily basis. The observations are also important to gain information about what the employees really think and do, as interviews sometimes can be biased as the interviewee might answer the questions as he or she believes they *should* be answered from the perspective of the interviewer (Czarniawska, 2014). This means that patterns and routines that would not have been identified through interviews could be discovered (Jorgensen, 1989).

As recommended, field notes were taken during the observations to not miss out on any interesting data (Silverman, 2013; Czarniawska, 2014). In line with Czarniawska (2014), notes were compared and analyzed right after the observations to highlight differences and similarities. These notes were informative and easy to understand to grasp the main outcome of the situation and setting. However, field notes were not taken during inappropriate circumstances, such as relaxed coffee breaks or conversations. Due to confidentiality the observations made during meetings were not recorded, nor during the more relaxed situations to enable the employees to talk openly.

As a further complement, information was also collected from the company's website and by reading articles from various newspapers, touching upon the topic.

Analysis of Field Data

To analyze the gathered data, an abductive approach was used. This means the theoretical framework and empirical data were formed and continuously adjusted during the research (Czarniawska, 2014). Furthermore, grounded theory was chosen as the approach to analyze the collected field data, as recommended by Martin and Turner (1986). This approach was chosen since it is suitable in qualitative studies with observations and semi-structured interviews, as it helped us to better understand the studied phenomena. Furthermore, Martin and Turner (1986) explain that by using the grounded theory approach the result of the study is more detailed and accurate as the method not is simplifying or neglecting the complexities within the specific case setting and context. As this study both contains interviews and

observations, grounded theory was favorable when dealing with a lot of data, which was the case for this research.

As mentioned, field notes were taken during the observations. To analyze this information we started of the analysis, in line with Silverman's (2013) suggestions, by asking ourselves some carefully selected questions connected to the purpose of the study. As the study aims to increase the understanding of how decision making works in an organization without managers, questions concerning the organizational structure, decision making, leadership and how the firm works on a daily basis were asked. By asking these questions, we were directed towards the specific problems and issues within the studied phenomena, and were therefore able to conduct an analysis in line with the research purpose.

Furthermore, concept cards were used when analyzing the collected data, as we believed concepts or specific patterns could be found concerning the area of research. The concept cards helped us to identify different themes and also connect different data to specific conceptions. The used concepts were among the following; *recruitment, salaries, working hours, organizational structure, employee background, office renovation and organizational culture*. These categories and concept cards helped us structure the empirical findings regarding how decisions were made in the organization. According to Martin and Turner (1986) this was an approach to move away from the collected data to actually find conceptions in line with the studied phenomena. The concept cards could therefore facilitate the categorizing. After the data from the observations were put in different categories, we started to compare the observations with the transcribed interviews, which according to Silverman (2013) is called cross checking. By showing the found concepts' relevance for the study, we were able to create concept definitions in line with Martin and Turner (1986), which were important for the investigated phenomena. By doing so, we were able to grasp the most important outcomes from the collected data.

Limitations and Risks

In our research, there are some limitations due to the chosen method. Initially, we were not able to interview all employees within the company, and thereby some contrasting perspectives or opinions may be lacking. Since the majority of the interviewees had a positive attitude towards the case company and its way of running the business, additional interviews may have given us an other idea of the firm. In other words, it would be trustworthy for us to complement the study with more interviews. Nevertheless, we argue that the in-depth interviews that were viable within our time limit gave us a deep knowledge and provided us with the empirical data needed to conduct the study. Furthermore, a major part of our collected data is based on our own observations. We are aware of that our predetermined opinions of the firm can have an impact on the observations. However, since the aim of the study is to observe how decision making plays out in practice, we argue that our preconceptions do not have a decisive impact on the final results.

Presenting the Case Company

There is no hierarchy, and no middle managers. There are no project managers or no specific person who is responsible for our products. We do not even use those words. Everyone has the same amount of influence and everyone can come up with new ideas. (Employee 5)

This company has no bosses, no managers, no hierarchical levels, and there is no difference between person A and person B. The founder of the company is the CEO, but only since the Swedish law requires this position in each organization. Furthermore, the company is structured around teams, based on competence and product, and all teams have the same decision making rights. The equality of all employees, lack of titles and flat structure were recurring themes during the interviews. However, when visiting the company for the first time we are instantly welcomed by a person who introduces him/herself as the office manager.

The Office

When the case company was founded, the vision was to create the world's best office and organization, where all employees wanted to stay their whole career. The founder had the belief that this should be done by creating a firm where no one should tell someone else what to do, thereby it was decided that there would be no managers or hierarchical levels. In order for this approach to work in practice, the interviewees explain the vitality of hiring the right people, since it is the people who create the culture and the organization. One employee explains:

As a newly recruited I cannot say that much about the company's future and directions, but I feel it is the colleagues and the culture that make me want to do my best and stay here during my career. Moreover, it is also nice to have a super cool office, which makes me want to stay here even more! (Employee 1)

For everyone to enjoy working in the firm, the office is renovated and designed after the employees' wishes, and includes rooms with video games, library and a ball pool. The interviewees explain how this relaxing environment helps creating the culture at the company, which is an additional incentive to stay. When we arrived at the office for the first time, this was clearly noticeable, and the office was unlike anything we had seen before. It was notable that the employees had fun and appreciated working there.

Own Decisions, Freedom but Collaboration

In addition to run the firm without managers and having a spectacular office, letting the employees making own decisions is a complementary tool in creating the world's best organization. With this freedom, the vision is to have a culture where every employee feels comfortable enough to structure their day as they wish and thereby make their own decisions. Thus, all individuals are encouraged to take own initiatives. Several employees explain that they feel comfortable enough to make a decision without approval from someone else. They explain how the decision making process concerns identifying a need and take action.

However, each decision must be made carefully and with responsibility, according to several employees. One of them explains:

You are always able to make your own decisions as long as you are not ashamed of it, and can stand behind your actions. If you are not ashamed, you just do it. However, communication regarding your decisions is necessary, to make sure you do not change the working conditions for someone else. (Employee 7)

A recurring theme among the interviews was the importance of communication, which is one building block in order to create the world's best office. As mentioned, each employee is able to structure their days as they wish, however, to communicate the initiative and the decision to your colleagues is described as common sense. The employees explain how good communication makes them feel more comfortable in making decisions on their own, as everyone becomes aware of what their colleagues are doing. Thus, good communication helps the organization to get updated regarding the small changes these individual decisions may bring. The interviewees also stress that it also helps create trust among each other. This trust makes the employees comfortable in making decisions for instance regarding working hours, and as long as you get your work done, and communicate this to your team, you can work any hours of the day. One employee says:

If I want to pick up my kids from kindergarten early on a Friday, or if I need to work from a different location during three weeks that is fine. I do not need anyone's approval, but letting my team know is just common sense. (Employee 14)

During our observations, we identified a pattern where employees chose to take an hour of their workday to play ping-pong or video games. This was not a choice that was questioned by anyone else or discussed in groups, since everyone has the authority to decide by him or herself how to organize their day. One employee explains:

During one workday you usually get two hours of effectiveness, as the work requires a lot of focus. If 45 minutes of ping-pong can help you reset your brain, this is just a win-win for all of us. However, this is up to the individual to decide from his or her own needs. (Employee 3)

Freedom - Good and Bad

To create an organization where every individual feels comfortable to make own decisions, *freedom under responsibility* is crucial and a repeatedly mentioned theme during the interviews. One employee explains how some positions at the company require a lot of traveling. Thereby, everyone has the freedom to book any tickets that are needed, if meeting a client abroad, which is an additional example of how an individual makes an own decision. One employee describes:

Freedom under responsibility might seem like a cliché, but here it is the actual vision. If I have to visit a client in Milan, I make that decision myself. If I want to go, I go. (Employee 2)

Several employees explain that freedom under responsibility works in the firm due to the personal traits of the employees, since the majority appreciates the lack of strict rules and guidelines. Although many employees had different nationalities and personal styles, we could observe during our visits how many employees appeared similar, since most people working in the firm are about the same age, have a university degree and same interests. During several occasions the interviewees explain it takes a certain personality to be able to work in the firm and handle the freedom it implies. Nevertheless, this freedom still causes confusion, since some employees experience unclear guidelines. It can be hard to know which decisions you *should* make on your own, and which decisions you cannot make on your own. One employee argues that this freedom can get adverse effect, where the confusion instead can prevent own initiatives and decisions. A newly recruited employee agrees with this, but stresses that this can depend on the fact that he or she has not yet been in the company and its culture long enough. Yet, many employees state that they appreciate to be able to make own decisions, as the process becomes fast and easy.

Structuring an Organization Without Managers

To run an organization without managers or hierarchical levels and where individuals are able to structure their own day, the case company is formed around teams. The teams are divided based upon products and responsibilities, and consist of four to six persons, with all required competencies represented, such as programmers, designers and developers. Therefore, each of these teams has the main decision making authority within their area. The employees describe the teams as smaller companies within a larger company. This idea with teams originates from one person who previously worked in a large organization that also operates on a fast-changing market, as the approach was successfully implemented there.

The aim with the teams is to make all employees contribute and have their saying. Thereby, everyone has the opportunity to be involved in different decision making processes. Since every team consists of people with various competences for the distinct product, the belief is that each decision should involve the most suitable person(s) with the right knowledge. One employee explains:

Why should I make a decision within an area I am not familiar with, when we have people in the organization that are experts? All employees have valuable knowledge, and we trust each other to make the right decisions. (Employee 15)

As mentioned, communication is a main tool in this organization without managers, according to several employees. In the teams, a constant dialogue is of importance, since the team members work closely together on a daily basis. Thereby, several interviewees explain how discussions are the cornerstones of how to reach a decision within the teams. A common decision within the teams is to decide how to improve the products and remove technical issues. Since these problems only concern the specific team, this process is thereby held collectively within the group. To reach a decision, the team is on a collective level discussing the issue back and forth, to come up with the most suitable solution. All consequences of a choice, and how they impact other parts of the organization, are ventilated, as well as how possible actions can be made. Normally, a decision can be reached with agreement from the

whole team, as one solution to the problem usually appears most relevant after the discussions. One employee says:

Within our team, we always talk. When dealing with a decision, we have usually discussed all possible aspects around it. Therefore, the decision often plays out rather naturally. (Employee 10)

Although the decision making process in the teams is structured around the collective, several employees explain how some colleagues have more influence on how the decisions turn out. This authority comes from either a longer period of employment or specific expertise. During one of the meetings, we could observe that this was the case, as one long-term employee in many situations had the last word. However, the ambition is to collectively reach a decision that everyone is pleased with and we observed how this was the actual case in majority of situations.

Making Several Teams into One Team

For the organization to work as a whole, the integration of all teams is vital. Therefore, a so-called retrospective meeting is held every third week, where all members of the organization participate, either in person or via video-call, depending on work site. The purpose of the meeting is to reach decisions about the company's future and raise awareness concerning issues that the employees find important. While the small teams are focus on product-related questions, the meeting with the whole firm addresses issues that impact the whole organization, and therefore the voice of the collective becomes even more important. The meeting is held in one of the company's conference rooms during an hour and a half. We perceived the meeting to be held under relaxed circumstances, and every employee was eager to contribute with opinions and issues that were brought up for discussion.

The first part of the meeting implies going around the whole team, where everyone says three things they feel need improvement. These can be issues regarding anything from the heat at the office or if they should launch a new product, however, this briefing results in a list of different issues. The second step is for everyone to divide three points each on these topics. One employee goes through the list, and on each issue all employees raise their fingers to show how many points they want to give the alternative. They can chose to give all three points to one issue, or to spread them out among several. One employee explains:

Every person has three points each, which he or she should divide among the areas he or she find most important to focus on the upcoming weeks. After this process, and when everyone has divided their points, we know which three areas of improvement we should focus on. (Employee 8)

The third step is to bring up the three issues with the most points for discussion. This process starts with setting the timer for seven minutes and start discussing one out of the three selected issues. Here, everyone who has an opinion can speak. When the time is out, the decision making process reaches its final stage. All employees then put their thumbs up if they are pleased with the decision and want to move on to the next issue. If anyone put their thumb down, it means they are not happy and want to keep the discussion going. The timer is

then set for an additional seven minutes. Several employees explain how this voting approach is inspired by another organization in Sweden, within the similar field, and by hiring a person that previously worked at this company the voting approach came along. One employee described the aim of these meetings by saying:

We want to make sure that all are involved in the different decisions. For example, all employees were, during our office renovation, allowed to vote for which of the nine different artificial grasses that was going to be used at the office floors. (Employee 3)

When participating in these meetings, we clearly observed how everyone was involved in all discussions and decisions. Many of the participating members had similar opinions about many topics, and it was clear that they had discussed some of the issues in beforehand. Several employees experience this process being time consuming and that the same topic is discussed for an unnecessarily long time. Nevertheless, all employees were actively participating and seemed to enjoy it. Furthermore, during one of these meetings we heard and saw how a decision about new flat screens was made. When we, one week later, came back to the office we could see how this decision already was implemented, as two new screens were put up on the wall.

Dealing with External Pressure

To run a business means dealing with external pressure, such as laws and regulations. In an organization without formal managers, these demands do not disappear. Although the vision in the case company is to work in accordance to freedom under responsibility, there are still pressures and rules that cannot be avoided, such as regulation regarding vacations days, salaries and recruitment.

In Sweden, there are governmental laws stating how every working person has the right to vacation days. Several employees explain how the restrictions in the firm regarding vacation were loosely handled before. Every employee could choose to work from another location during his or her vacation, and later get the vacation days paid out in cash. This however resulted in employees never taking time off, and they were constantly available for work, which was not sustainable in the long run. Therefore, one employee talked to the union and made sure the case company was in line with their recommendations. The same employee explains:

Previously, there were no regulations regarding vacation. Everyone worked all year round, but would not be at the office during holiday seasons. We felt that this was not working, since people never took time off. I had the authority to fix this, and therefore implemented a “normal” system, where everyone needs to take out his or her vacation in vacation days, and not in cash. (Employee 15)

Just as vacation days, the firm has chosen to implement a structural approach to recruiting. Since it is of importance that every employee fits into the team, the recruiting process previously involved every applicant working at the office for a day, to see if the person was right for the team. However, this process did not work as the company kept growing. One employee explains how the recruiting process now starts with a team identifying a need for a

new team member. This need is communicated to the person responsible for the recruiting, who later takes an individual decision regarding the start of a new recruiting process. When job applications have been received, this individual selects candidates for tests and evaluation. After the team has met the candidates it is up to them to decide whom they should hire. This last stage of the process is completed by discussion and voting, concerning which candidate fits best in the team. One employee describes:

If any of the teams need an extra team member they tell the individual, who is responsible for new recruitments. After that person has selected a few candidates it is very important to see if the person fits into the already established group. After meeting the team, which has to “approve” him/her, the intended new employee has to meet the rest of the employees in other teams. By doing so we can find out if this is the right person for this company, and also see if he or she has the right competence necessary for the position, as well as the right social skills. (Employee 6)

To run an organization without managers, but still be in line with laws and regulations, the firm has to adjust their salaries according to restrictions and market standards. One employee explains that the salaries the firm offers are adjusted by market standards, but also adjusted to every individual's personal needs. When negotiating about salary, it is however the individual employee who takes the initiative, and discusses this further with another individual with more responsibility regarding the personnel's salaries. The same employee further explains how deciding the salaries is not a decision making process, but rather an open discussion between different parts. However, other employees explain how they do not have the final word, as it is rather decided by the other part with more authority, which concerning the salary question is the founder/CEO. From our observations and interviews we noticed that salaries were not a hot debated topic, but rather something they had not thought about. Instead the employees describe the pleasure of working in the firm as more of a motivational factor, compared to the salary.

In sum, the company in this case study strives to create the world's best office and organization, where the employees would want to stay their whole careers. This is done by not having any managers and involving all individuals in the organizational activities. To make this work, freedom under responsibility and an open dialogue is crucial. However, running an organization without managers comes with positive and negative aspects.

Analysis

This study focuses on decision making inside an organization that does not have any managers or hierarchical layers, and by observing day-to-day activities we are able to analyze how these processes unfold in practice. The following analysis is built upon four identified constellations of decision making, namely the process of an individual, small teams, a big team and a combined approach.

Decision Making Process: Individual

The case company's wish is that each individual should contribute in the creation of the world's best organization, and therefore an individual decision making process has been

identified as the first constellation. To make a decision in this process, individuals chose the alternative they believe would generate most value for them in the future. We argue this is in line with March's (1991) rational choice perspective, as he describes human actions are the result of a human choice. As the decisions in this individual process have been observed to concern individually related questions, such as structuring their days or choosing work location. Thereby, the employees make a decision that appears most rational to them, based on own preferences and knowledge. The individual decision making process is based on how all members of the organization make rational, responsible decisions. The strong relation between the company and the employees is therefore observed to be crucial in this process, since providing the individuals with the opportunity to make own decisions creates a higher commitment and an urge to contribute.

Although all individuals are able to make own decisions, the employees still experience a responsibility towards their colleagues and the organization, which is why communication is a vital factor in this individual decision making process. When an individual is choosing among various alternatives to reach a rational choice, March (1991) argues that there are informational limits and that a fully rational decision cannot be made. In this process this means what one individual perceives as rational, may not appear rational to someone else. As the decisions made by an individual can impact other employees, it is therefore vital to communicate the decision as well as the reasons behind it to the colleagues. How decisions are made in this constellation is thereby based on communication with others, and not only on individual action.

The case company strives for every employee to feel comfortable enough to contribute in the decision making. For this to work, freedom under responsibility is vital, however, it requires a certain type of personal traits. Thereby, the case company recruits individuals with similar background and education. We find this to be in line with DiMaggio and Powell's (1983) arguments on normative pressure, as the organization recruits a homogenous workforce. We argue the normative pressure through the homogeneous workforce impacts how the individual decision making process unfolds in practice since the employees have the same approaches when handling a problem. This normative pressure is observed to result in employees making similar decisions, such as choosing to work at the office in Gothenburg during normal working hours, even though they are allowed to make choices most suitable for themselves.

In the organization, the authority is spread among all individuals, which the majority of the employees perceive to be a freedom. However, several employees experience the freedom of making own decisions resulting in unclear guidelines and restrictions about what is allowed to do and not. Since institutions can explain taken for granted actions and implement pre-decided routines and processes that are embedded in society (Meyer & Rowan, 1977), we argue the lack of these routines can be the explanation for the confusion among the employees. If implementing a rationalized concept of how to organize work (Meyer & Rowan, 1977; Judge & Zeithaml, 1992) or chose a traditional structure with managers, the individual decision making process and how it unfolds in practice would most likely appear different. Nevertheless, it is evident how the case company tries to break out of old institutionalized patterns regarding decision making, by establishing a process adapted to the individual.

Decision Making Process: Small Teams

While traditional leadership is institutionalized with clear guidelines of how to structure an organization, it lacks standardized procedures for firms without managers. In this case, the organization has chosen to structure the company around teams, based on knowledge and responsibilities.

Within the small teams, the decision making processes are based on an open dialogue and communication. As the small teams handle product related issues, the teams must be able to work fast and agile, since the environment and industry is fast changing. In line with March's (1991) social process perspective, the team members constantly have an ongoing discussion in order to visualize what decision will be best suited for the product. In this social process of making a decision, the team chooses between alternatives where future preferences are taken into consideration. The decision making in the small teams is therefore a constant, ongoing process built upon collaboration among the team members. Thereby, we argue this teamwork and dialogues become a symbol for how the decision making process plays out in practice.

Given that decision making within the teams is based on a constant dialogue and described as a social process, several employees had a hard time explaining how the final decisions are reached within the team, as it often plays out rather naturally. According to research, institutions unconsciously guide behavior (Meyer & Rowan, 1977), which in this context means the decision making process in small teams is influenced by institutionalized norms as the members do not reflect upon how it unfolds in practice. However, reaching a decision by using open discussions works in this organization as the employees are engaged and committed, indicating on how the decision making processes used in the organization are dependent on the people within it.

As new problems arise, the team is continuously making decisions, regarding how to solve them. In line with March (1991), the teams challenge the idea of hierarchies controlling lower levels, as their decisions rather emerge from a social process with discussions and communication. As the individuals in the different teams can be perceived as the components of the social process, one has to understand every individual involved to grasp how every decision is made, as described in March's (1991) third perspective. It is therefore important that the different teams consist of suitable employees, since they affect how the decision making unfolds as a social process.

One consequence regarding how the case company structures their decision making and organizational approach around teams, is that certain employees are more influential compared to others. Several individuals are supposed to make a rational decision together through a social process, however, an agreement may be hard to reach due to a variety of opinions regarding what a rational decision is, and a compromise is therefore needed. This means that some individuals neglect their own opinions to accommodate the others. In line with this, March (1991) argues in his rational choice perspective that people that are trustworthy and possess certain knowledge are given more power and authority. Accordingly to this perspective, several employees mention how people who have worked longer in the firm, or have a specific expertise get more authority than others in discussions, and thereby have the final word when making a decision. In the small teams it is therefore crucial that all employees have the courage to take on a leadership role and argue for their standpoints

during the discussions. Otherwise, the consequence is that another individual would get more authority at the other employee's expense. In an organization without managers, we argue that it is up to the individuals to create a team where the collectivity and every individual's competences are used to make a decision.

Decision Making Process: Big Team

In order to obtain all knowledge and competence in the organization, the small teams need to be integrated and work well together. Thereby, the collective becomes even more important. As a complement to decision making processes in the small teams, the whole organization has meetings where decisions are made regarding the entire firm. In these meetings everyone participates, and all opinions are of equal importance. The third identified constellation is therefore when the big team collectively makes decisions.

The retrospective meeting is held every third week under relaxed conditions and gives all employees an opportunity to meet, communicate and socialize. According to March's (1991) third perspective, a decision making process is rather a social process based on interaction of actors, and not a rational choice among several alternatives. Thereby, we argue the retrospective meeting becomes a symbol or artifact for an occasion where decisions should be made, since the firm collectively reaches decisions by understanding and listening to all individuals, by using a social voting process. As recommended by March (1991), it is important to understand the participating individuals when reaching decision through discussion, since employees with different preferences are participating. Based on this social process and the lack of management positions, we argue that this is an example of how the case company once again is breaking out of the traditional standards and institutions, by involving all organizational members in their decision making processes.

At the case company, it is important that everyone has the opportunity to contribute. Thus, they structure this decision making process around the collective, and find it crucial that all members actively participate during these meetings. Therefore, we argue that this process is in line with March's (1991) third perspective, as the decision making becomes a social process. Through all steps of the meeting, all employees participated by bringing up issues, dividing points, discussing and voting among alternatives, and it was clear how everyone wanted to contribute. By "forcing" everyone to express their opinions, no individual had more authority or power than others. Everyone's opinion was equally important, and an individual's position in the group did not matter since each employee had the same amount of points and votes to distribute. Based on our study, we argue by involving all individuals, the organization creates a social decision making process based on everyone's contribution.

The decision making approach with voting is inspired by another organization in Sweden with similar arrangement, as one of the employees previously worked there. Since this employee implemented the voting-based decision approach we argue this to be a mimetic behavior as described by DiMaggio and Powell (1983), as the case company imitates a process that has been successfully used before, in hope for the same results. This indicates that the organization not only creates own processes, but are inspired by other companies they identify themselves with, even though the case company is structured differently by not having managers. Therefore, by imitating others, it affects how decisions are made within the

case company, as the process is not created by the organizational members themselves. This voting process has been criticized by several employees for being time consuming, in comparison to other decision making processes, as it involves several steps. Thereby, we argue that this process is not fully adapted to the circumstances, but rather a social process to reach a decision as described by March (1991), and a result of a mimetic behavior (DiMaggio & Powell, 1983).

Decision Making Process: Combined Team

Even though the case company strives to involve all employees in the decision making our study found that this is not always possible, due to external regulations and market standards. Therefore, the fourth identified decision making constellation, which we have chosen to call a combined process, requires one individual with more authority and insight.

When the case company makes decisions regarding salaries, it is based on a discussion between the employee and the individual who is responsible for questions concerning the personnel. In line with March's (1991) arguments, we argue also this discussion to be a social process for making a decision, as it involves an open dialogue between different organizational members. However, even though our study shows how the salaries are decided through a discussion, the research further indicates that the individual with more insight in the personnel has the final word in these discussions, even though it is communicated that no one should have more authority than others. Therefore, we argue an informal hierarchy is existent and influences how decisions are made in some situations. Since classic ideas regarding decision making explain how hierarchical layers are institutionalized and managers control other organizational members (March, 1991), we find this to be one underlying factor for why this process is not questioned by the employees, as the employees may have been exposed to these institutionalized norms before.

Nevertheless, how decisions are made in this process differs from the other collective ones, as one person clearly exerts more power over another individual. Furthermore, the company has to act according to market standards and expectations when deciding salaries, even though the monthly payment should not be the main motivational factor for the employees. In other words, we argue that the firm experiences a coercive pressure, as described by DiMaggio and Powell (1983). This results in the need of appointing one individual as responsible for making these decisions and adjust the internal activities to external pressure. This also means that the collective does not have as much influence in this process as in the other identified decision making constellations.

To have one person with more authority turns out to be necessary in other decision areas as well, for example recruiting. When hiring a new employee, the case company chooses to have one individual responsible for the process, but gives the team the final word. Based on the same background as the small- and big team decisions, we argue this process as well is in line with March's (1991) perspective of decision making being a social process. The whole process of recruiting a new team member is based on the interaction and communication between team and individual, and ends with a final decision regarding whom to recruit based on the team's preferences and need. However, despite the fact that we consider this decision constellation being a social process, we argue there are traces of March's (1991) second perspective as well, where decisions are described as being based on logic of appropriateness.

According to this perspective, decisions are built upon clear guidelines and predetermined rules that are followed by organizational members (March, 1991), which in this case means the employees have collectively created a stepwise model when recruiting someone new. Thereby, we argue the employees have created own routines within the social process.

Moreover, another activity that requires a person with more authority is the process and administration around vacation days, as the regulations regarding vacation previously have been vague and undefined and according to the collective in need of change. Nowadays, when taking a vacation, the employees follow set guidelines. In line with March's (1991) arguments, we argue these are rules based on logic of appropriateness. Even though the firm is trying to break out of institutions and structure their organization differently by not having any managers, the organization understood they were a part of a bigger institution - the society - and thereby had to follow certain legislations and specific norms regarding vacation days. This resulted in a structural change, where a new system was implemented for the employees to use their vacation days in a more appropriate manner. Thus, we argue the firm experienced a coercive pressure, as presented by DiMaggio and Powell (1983), since the external forces on field level affected what occurred inside the organization. This is an example of a collective process, where the team identified an activity in need of change, but only one individual had the authority to decide and implement the solution that was demanded.

To conclude, four different decision making constellations are found, which describe how decisions are made in the case organization without formal managers. The first is when one individual makes a decision, the second consists of discussions in small teams, the third involves a voting process with the whole organization, and the fourth is a combined constellation between two parts. Each process is based on collaboration, trust and communication, and the choice of constellation is dependent on circumstances and what type of decisions that are going to be made. Thus, all decision making processes are build upon involving the collective, and by doing so representing the social relationship perspective on decision making, also involving negotiations of institutional pressures.

Based on our interviews and observations, we have identified four different constellations of making a decision in an organization without any managers, namely the individual, small teams, the big team and the combined. Depending on who is involved in the decision making, and also what kind of decisions that are to be made, the processes turn out differently. Thereby, each constellation has a different character and comes with various consequences. As a summary of our analysis, the table below illustrates the four identified constellations.

Who is involved?	How is the decision made?	What kinds of decisions are made?	Character	Consequences
Individual	Initiative Communication Implementation	Individually related	Freedom What makes most sense?	Unclear decision making guidelines

Small teams	Discussion	Products related	Agreement Consensus	Employees with more influence
Big team	Three step voting process: 1. Bring up issues 2. Divide points 3. Discuss	Organizational related	Voting	Time consuming Consensus not possible
Combined	Individual initiative or team + individual = decision	HR related	External pressure	One individual exerts more power of another

Table 2: The four identified decision making constellations

Discussion

The aim of this paper was to study how decisions are made in an organization that has chosen to structure their firm without hierarchical layers or management positions. By having an institutional approach to decision making, our results show that an organization without formal managers make decisions through four different constellations, which is done by using distributing leadership. Hereinafter, our results of this study will be compared with previous research.

Based on our research, we argue that the case company uses distributed leadership due to the lack of formal managers. Thereby, the equality of all individuals and their competences are shown to be considered as crucial in order to make decisions. Distributed leadership literature shows how firms build their organizational activities on co-joint actions from all individuals (Gronn, 2000; Iszatt-White & Saunders, 2014). Thereby, our research contributes to the field of distributed leadership by identifying four different constellations of how decisions are made in an organization without managers.

Furthermore, the result of this research is that the decision making is based on a social process, which requires employees with certain personal characteristics, as it has been identified that the employees experience a strong relation towards the organization and thereby want to act responsibly towards the firm. In other words, our findings are in line with Benson and Blackman (2011), who show that collective responsibility is needed when the authority is distributed among all members. Our study is not able or intended to show if a collective responsibility is a crucial factor that will make a decision process better. However, our research demonstrates that all employees within the case company express in interviews that they enjoy taking responsibility, as this is one cornerstone for why they are able to make own decisions, for example in the individual decision making process.

The four different decision making constellations that were identified, come with different characteristics. Each process is adapted to its circumstances, and dependent on the decisions that are to be made, but what they have in common is that they are based upon social interaction and communication. The result of this study shows that the organizational members in a flexible way adapt to the different processes due to the type of decision and

externalities. These findings therefore strengthen the results by Benson and Blackman (2011), as our result is a sign of a collective flexibility, deriving from a fast-changing environment and agile way of working. Moreover, our research shows that this flexible approach of working where leadership is distributed works well in this organization that has good results and pleased employees. Currie, Lockett and Suhomlinova (2009) indicate that distributed leadership is beneficial in schools in well-functioning areas, but harder to implement in troubled areas. However, our study is not able to show evidence of how distributed leadership would impact decision making in an unstable organization with declining results, but that it seems to be applicable in this specific organization and setting.

Even though the employees experience the decision making process within the big team to be time-consuming, our study is not able to prove this, since the focus of the paper is to explain how decision are made, and not on how time consuming the different processes are. However, our research implies that a negative implication of using distributed leadership, and involving all members by voting, is that the employees *perceive* this process to be time-consuming. Similarly, the result by Supovitz and Tognatta (2013) shows that it is more time consuming to reach decisions in a group, than having one formal manager making decisions. Thereby, our study contributes to the field of distributed leadership by providing an example where organizational members experience the process of collectively reaching a decision to takes more time than needed.

An additional result from our study, is that an organization without managers requires clear, communicated roles in order for the four identified decision making processes to work and for the employees to know what they are allowed to do and not. Thereby, our study is in line with results by Leithwood et al. (2007), since it shows how divided tasks are vital when using distributed leadership. The case company has in a distinct way divided their teams around products or other areas of responsibility, which affects how decisions are made. Nevertheless, our study further indicates how some employees feel insecure regarding what decisions they are able or expected to make. This uncertainty is similar to the study conducted by Currie, Lockett and Suhomlinova (2009) as they stress distributed leadership to be a catch 22 moment, due to competing institutional forces. Our results show the freedom given in the four different decision making processes to be met with positivity from some parts, but also with confusion and frustration from others. Thereby, our research supports the result regarding distributed leadership being a catch 22 moment, by demonstrating this dilemma also in an organization without managers.

Even though every individual is trusted with responsibilities in all decision making processes, our study shows that there is still a need of a leader. In the small team this is evident as employees with specific knowledge or longer experience are unconsciously given more authority, while our result also shows how the combined process deals with issues and questions that requires one person to be responsible in the decision making process, to meet external pressure. Due to this, the result of this paper is in line with Leithwood et al. (2007) who stress that the need of formal leaders does not disappear when the leadership is distributed, as our study has identified an informal hierarchy inside the organization. In line with this, our results also show that all individuals are able to take on a leadership role, but specific employees get more authority from the team members in discussions.

Furthermore, Bienefeld and Grote (2011) present through their research how

organizations with people who by themselves take on leadership roles have better performance. Since our study is not able to describe the quality of distributed decisions, we are unable to tell if distributed leadership results in better outcomes, but instead we can describe *how* decisions are reached through four different processes based on a leadership that is spread across the whole organization. Moreover, previous research focus on distributed leadership within the educational sector. Therefore, our results add to literature by providing a case from another empirical field.

Finally, the result of our study has practical implications showing that the interaction and communication among members is a contributing factor for the trust inside the organization. Previous research shows how collaborative decision making is associated with higher levels of trust within a team (e.g. Bienefeld & Grote, 2011; Supovitz & Tognatta, 2013). Although our study cannot prove this relation, the results show how communication and trust among the individuals are perceived as crucial factors in how to make decisions with distributed leadership through the four constellations. Therefore, it is vital for the company to communicate and have a constant dialogue regarding the decision making, to make sure all employees are working in the same direction. Our research shows that this collaboration and distributed leadership can be used in an organization without hierarchical levels through interaction of people, which stands in contrast to Bolden, Petrov and Gosling (2009) who stress that distributed leadership either is used top-down or bottom-up. Our study therefore contributes with the findings that decision making processes are collectively created when leadership is distributed, and not by higher or lower levels of the organization.

Concluding Remarks and Implications for Future Research

Today, many companies choose to structure their organization with less hierarchical levels and management positions. This is found to impact internal activities, such as decision making. Simultaneously, we have identified a gap in academic research regarding how these organizational activities unfold in practice. Therefore, the aim of this study was to understand how the decision making processes play out in practice in an organization without managers, particularly when it comes to the institutional pressure and leadership processes involved.

Our study showed that decision making processes in an organization without managers can be fruitfully described in four different constellations; individual, small teams, big team and combined. To get these decision making constellations to work, the leadership is distributed among all organizational members, by centering the leadership on co-joint actions (Gronn, 2000; Thorpe, Gold & Lawler, 2011).

Firstly, the individual decision making process is when one employee takes an initiative to implement a choice that he or she makes. These decisions are often individual-related issues, which are communicated to the group to keep an open dialogue. The individual thereby strives to make a rational choice (March, 1991), and makes the decisions that will generate most value. Secondly, the organization is divided around small teams, where the decision making is based on a social process of discussions with agreement and consensus. Thirdly, the case company has a meeting every third week where all employees participate, and thereby the whole organization is present. In this social process, all individuals have the equal amount of authority. Finally, a combined decision making process

has been identified, which is when one individual has more authority but occasionally chose to involve the team or another individual. Due to this, an informal hierarchy is found to be present in the organization. The four identified decision making constellations are based upon a distributed leadership, which gives all employees the equal amount of power. Based on our findings, we argue that distributed leadership and the decision constellations are practicable in this organization due to the commitment and the eagerness to contribute the employees experience. However, the constellations come with consequences. Several employees explain how they experience some processes to be time consuming, while other constellations have unclear guidelines. Moreover, some individuals have more influence and authority than others.

A limitation of this study is connected to those time restrictions that were given. During the process of conducting this paper, several areas of interests were discovered. In future research, it would therefore be intriguing to do a comparative study between a traditional organization and a firm without managers to see how decision making processes differ. Furthermore, it would be interesting to investigate how communication among the employees affects firm-performance, in an organization without managers or hierarchical levels. We also believe it would be interesting to follow up on this organization to see if their approach with no managers and a distributed leadership is sustainable if they keep growing.

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