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# The Social Dimension of Rational Choice – a Critical and Realist View of Theories of Motivation and Agency at Work

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I shall argue for the *reality of norms* and for their *autonomy*.  
By the reality of norms I mean their *independent motivating power*. ...  
By the autonomy ... I mean their irreducibility to optimization.  
(Elster 1989: 125, italics added)

## 1. Introduction

Is the above-mentioned *reality of social norms* (SNs), which Jon Elster advances from what is fundamentally an methodologically individualist position, a position much closer to Rational Choice sociology than to systems theory, compatible with Critical Realism (CR) as a *philosophical vantage point*? And when Elster – furthermore, and as it goes almost without saying – has as a basic precondition the *reality and autonomy of Rational Choice (RC)*, is this then compatible with CR?<sup>1</sup> Do the ‘reality’ concepts of Elster and of Critical Realists cover (some of) the same subject matter, or are they discussing entirely different phenomena? The most intuitive answer would probably be to state the latter, but in this paper I shall argue that there is some common ground between these two quite different philosophical approaches to social science. Elster is concerned – as many sociologists – with the study of social order and with human motivation, counterposing the two images of (wo)man by economics and by sociology as *homo economicus* and *homo sociologicus*. The former ‘adapts to changing circumstances, always on the lookout for improvements’, while the latter ‘sticks to prescribed behaviour even in the face of new and better opportunities.’ The former is ‘a self-

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<sup>1</sup> List of abbreviations: CR Critical Realism, RAT Rational Action Theory, RC Rational Choice, SC Social Constructionism, SN social-normative, SNs social norms

contained, asocial atom', the latter 'a passive executor of inherited standards' (Elster 1989: 97). These images are caricatures, of course, but they describe a cleavage in the view of agency, which deeply divides the social sciences, sociology and philosophy (cf. *e.g.* Bhaskar 1979: 32-6). That people act rationally sometimes and adhere to SNs at other times is in a way commonplace, although not self-evident in sociological theory, but it is how these two types of motivation interact that creates problems. While economists see SNs as some kind of expression of self-interest, and thus reduce SNs to optimization, sociologists in contrast tend to see expressions of RC as adherence to particular SNs, and thus reduce RC to normative adherence. This does not present a solution to the problem posed. It merely expresses theoretical imperialism on either side of the fence. In this article, I shall utilize a Critical Realist point of departure to attempt to establish a kind of solution of synthesis to the problem of human motivation, with special reference to motivation at work.

Looking at studies of human motivation at work turns out not only an abundance of theories, results, interpretations and points of view, but it also reveals a phenomenon which does not easily lend itself to social scientific clarification or even progress in the understanding in the social sciences. Often, authors' views and results concerning motivation appear to a larger extent determined by their theoretical approaches than by the subject matter. Thus, in economics, motivation is couched very much in the vocabulary of 'incentives', the 'incentive structure' of a remuneration system in a business enterprise or of the social welfare system in a nation state, while SNs are seen mainly as constraints (cf. 'Principal-Agent Theory' or the terminology of 'the recalcitrant worker'). In complete contradiction to this, in business economics (from the Human Relations Movement to theories of Organization Culture), monetary reward systems are not seen as motivating factors, but is relegated to the place of 'hygiene factors', while such factors as a caring supervisor (in Human Relations) or a corporate mission and identity (in Organization Culture Theory) are the prime motivators. This contradiction and controversy has continued to this day, *e.g.* with the new theories and practices of Reward Management (Armstrong & Murlis 1998; Lawler 2000) in private enterprises and in public management, and it appears to escape social scientists in this field to provide anything like a definite answer to the perennial question, which might be phrased as 'Does money play a role in motivation at work, and if so, what is the role it plays?'. In fact, various authors and theoretical traditions seem to pick and choose from the within theoretical and empirical research to prove their various points. Even the same piece of research appears to form the basis of quite different interpretations of worker motivation: thus, the economic view of motivation as something which clearly constrains the effectiveness of pay incentive systems appears primarily in concordance with the Bank Wiring Room experiment of the Hawthorne Studies, where informal norms of output restriction were originally documented, while business economists (referring to Maslow (1970 [1954]), Herzberg (1966) and their large following) appear more inspired by the First Relay Assembly Group experiment,<sup>2</sup> where substantial productivity gains were documented following clearly improved 'human relations' between operators and supervisors and between the members of the group of operators themselves (*e.g.* Gillespie 1991; Rose 1988; Scheuer 2000a). Thus, the role played by the SNs of employees for

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<sup>2</sup> In superficial texts, inspiration is more often taken from the folklore version of the illumination experiments. For examples, see Scott 1987[1981]: 58 or Hatch 1997: 241. For comments, see Gillespie (1991: 46) and Scheuer (2000a: 57-60).

their conduct at work, and the interaction between payment systems and (various types of) SNs in this relationship appears ambiguous, so say the least.

## 2. Human Motivation: Social Constructionism vs. Critical Realism

What does this imply? From the vantage point of Social Constructionism (SC), this would not appear surprising. It is, after all, rather commonplace today to say that there is no ‘objective’ way of approaching the task of explaining the social situations and conditions which the employees in working life both create themselves and are subjected to by other people. In principle, employees’ social interaction and conditions can only be studied through their own discourse and statements, their own subjectivity, *i.e.* through the interpretations of conditions and situations and the explanations of their own conduct and own motives which they themselves indicate.

Thus, industrial sociology quite obviously implies an element of ‘social construction’. This is inevitable since the structures, patterns and interaction of human conduct, which industrial sociology deals with, indisputably – from the most mundane greeting rituals to the most advanced decision-making processes – are developed and carried out by and through people in social interaction and in a human, *i.e.* socially conditioned interpretation which precedes and follows such interaction, and many social constructionists carry this further to imply that it is the concepts and the theories of the social scientist, which determine the interpretations given of human motivation. However, to state that human society should be ‘socially designed’, *i.e.* constructed by human beings, is a truism which is almost banal (Collin 1997: 1). But when studying people’s life, *e.g.* their working life, it is important to the social sciences and to sociology to be aware that social reality is approached ‘through the agents’ way of conceiving it’ (Collin, 1997: 22). All human action consists of partly a pure physical action partly of a kind of intention or purpose (Collin 1997: 120). No interpretation or human conduct can avoid dealing with the last part, the intentional aspect. In fact, dealing *only* with interpretations and intentionality is equivalent to the social constructionist, *i.e.* completely voluntarist view of interpretation and of human agency. Although one could never give ontological proof of the existing world ‘out there’, *e.g.* in the form of the actions of others, it is nevertheless the *fallibility of our knowledge, our hypotheses and our theories* that makes it clear to us that some kind of interpretation of ‘reality’ must enter into the analysis (Sayer 2000: 2), including – in the study of workplace social relations – the recognition that while we study agents’ interpretations and evaluations, these interpretations and evaluations take place at least partly on the background of physical and social experience of agents. This Critical Realist point of departure will form the basis of the arguments that follow.

Thus, meaning, meaning and interpretation become significant parts of the interpretation of the actual conduct or action but most certainly only a part. How can we then understand intentionality? Which conceptual frameworks can we establish for this understanding?

In a way, the above can be taken to imply either ontological or epistemological relativism. In the Social Constructionist view, our interpretations as social scientists of human motivation is seen as *ontologically relativist*, being primarily determined by the scientist’s own choice of theory. No matter what the respondents say, the researcher always (knowingly or not) has his or her axe to grind, thus in effect excluding respon-

dents' conduct or statements from playing any role at all in the 'production' of scientific results. While there is of course an element of truth in this (as anybody who has conducted empirical research will certainly know), this 'personal impact' of the researcher was – more traditionally – always something one would try to eradicate or neutralize, because it was seen as 'faulting research' if one's own views loomed too largely. But in SC, what was expressions or examples of faulting research has now become the norm! No longer do 'the facts speak for themselves' (which of course they never quite did). Now the researcher speaks for him-/herself! This ontological view of human motivation by Social Constructionists does not appear satisfactory at all. Although human motivation is of course an elusive phenomenon, to discard it as something entirely fluid, producible in the researcher's mind, seems to be giving up the task of serious research before even starting.

Therefore, the Critical Realist view of a realist ontology, but of a relativist epistemology (Bhaskar 1979: 9-24; Sayer 2000: 10-8; Wad 2000: 55), appears to be a much more constructive point of departure, because it allows for great variation in research results (relativism) even when researchers appear to be investigating basically the same phenomenon, ontologically seen, and it allows, furthermore, for a rational comparison of social science theories of motivation, because the basic premise in this philosophy of science is that despite their substantial differences in terms of research output, these theories are basically looking at and even maybe for the same phenomenon. In this interpretation of social scientific practice, research still involves a substantial amount of construction or production, *i.e.* in the creative search for laws and generative mechanisms in the sphere of the real, in order to find laws or explanations. According to Bhaskar, this search should be complemented by vigorous empirical testing of the 'constructed' laws or tendencies, thus avoiding purely speculative theorizing. CR is thus relatively 'open' with regard to the social scientist's choice of specific methodology. This does imply that CR is a relatively open philosophy which allows for many types of research methods, in clear contradiction to SC, which appears highly selective with regard to 'permissible' social science methods (cf. Sayer 2000: 19-22).

In the stratified ontology of CR (of the real, the actual and the empirical<sup>3</sup>), it would appear to me that types of human motivation such as SNs, rational choice, emotional/affectional and traditional motivations could be candidates for the 'generative mechanisms', which are part of the 'real', and which may be utilized as the mechanisms which form the basis of the laws which govern human conduct. It seems to me that the way sociologists and economists have interpreted and debated human motivation, esp. with regard to motivation at work, is a constructive point of departure for a deeper discussion of some possible candidates for an understanding of some forces at the level of the real, because these different motivations are obviously generative for human agency, although not of course in ways that lend themselves easily to our social scientific reasoning. In what follows, I shall first go into the substantive debate concerning two types of human motivation and agency at work, attempting to separate the various schools of thought and distinguishing what appears to be a reasonable synthesis from a CR view-

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<sup>3</sup> If I may be allowed to say so, the choice of the word 'empirical' to cover what we experience does not appear entirely fortunate. In general, empirical knowledge in *e.g.* sociology is knowledge gathered utilizing the recognized and established methods of sociology as a science. In Bhaskar's stratified schema, it seems to mean more simply 'that which we experience'. Since we in general do distinguish between experienced and empirical, why not say *e.g.* 'experiential' and let 'the empirical' be a true subset of the experiential?

point, while finally drawing some possible implications for the stratified ontology of CR.

### 3. Actor motives and actor views

On the substantive level, this paper takes its point of departure in the sociological debate on the role played by SNs or social-normative (SN) motivations seen in relation to rational choice (RC) motivations in the understanding of human conduct. The point of departure for the analysis will be the actor motives *of the individual*. The individual – no matter which collectivities he or she enters into, and no matter how strong these may be – forms the fundamental building block of human society. This may be seen as taking part with CR, since especially Bhaskar is vehement in opposing the ‘reductionism’ taking place if one ‘reduces’ social phenomena to individualist motives (Bhaskar 1979: 25-37). I shall argue, nevertheless, that this perspective will be compatible with CR, since it seems to me that it is not a *necessary* condition for taking up the Critical Realist philosophy. Bhaskar claims that realism in the social sciences implies the recognition that the social level exists (on a par with the phenomena researched by the natural sciences), and the precondition for this is that it cannot be reduced to individual agency or motivation. In the oft-quoted piece from *The Possibility of Naturalism*:

For the predicates designating properties special to persons all presuppose a social context for their employment. A tribesman implies a tribe, the cashing of a cheque a banking system. Explanation, whether by subsumption under general laws, advertion to motives and rules, or redescription (identification), always involves irreducibly social predicates. (Bhaskar 1979: 28).

I will accept that SNs (as a part of social system) are characteristics of the group or of the society, not of the individual. Nevertheless, as Bhaskar himself makes clear, social systems, and thus norms, cannot exist except by the continuous intervention and partaking by the members of society. It therefore becomes reasonable to ask, how individuals relate to SNs (and other motivational types) and to try to understand the conduct of individuals in a society, in organizations, in the family etc. not only as functions of these systems’ inherent role-prescriptions (which are often not too precise and specific), but also as expressions of individual reflexiveness and individual preferences. One can say that in the debate between RC sociology and economics on the one hand and neo-institutional economics and mainstream sociology on the other, Bhaskar has sided very much with the latter, and I shall argue why this is not entirely fortunate:

Neo-institutionalist theory in organisation theory has chosen the ‘collectivist’ or ‘social’ understanding of not only SNs, but even of RC: basing itself on a SC philosophical point of departure, it reduces RC to SN motivation, or rather to ‘a logic of appropriateness’, a kind of pragmatic or ‘rationalization’ view of RC. Thus, they reduce economic or RC motivation to an inferior or secondary type of motivation, derived from the institutional logic. RC is seen as rationalization of conduct and motivations by agents employed or expressed *ex post*, not as ‘true’ explanations of motivations working *ex ante*.

A prominent representative of this paradigm is W. Richard Scott, who in his much-lauded book from 1995 poses the question of whether actors in organisational

settings are as reflexive and as calculating as they contend to be, or if they merely do what they find legitimate and in general put up appearances and imitate what they think others would do in similar situations to theirs, unconsciously and inarticulately:

How are we to regard behaviour in organizational settings? Does it reflect the pursuit of rational interests and the exercise of conscious choice, or is behaviour primarily shaped by conventions, routines, and habits? (Scott 1995: xiii)

One may wonder whether Scott implies that both types of motives are present or whether the contrast is normative, implying that he leans towards the latter, i.e. that human behaviour in organisational settings is *primarily* or *predominantly* determined by conventions, by routines and by habits. Scott makes a contrast between RC on the one hand and routines, habits and conventions on the other and in so doing he disregards the reflexiveness of the individual in making decisions. Classic economic understanding of a logic of instrumentality is replaced by a 'logic of appropriateness', which means that actors are governed more by what is *appropriate* than by what serves their interests. In this way, the neo-institutionalist objection to RC theory is not so much based on implying that other motives than economic ones exist (SN ones, ethical or moral ones), but rather on maintaining that human agency expresses conventions, routines and habits. This comes clearly to the fore when Scott discusses the pragmatic character that he assumes of the *individual* actor:

Institutions may also be embodied in – carried by – structured activities in the form of habitualized behaviour and routines. Routines are carriers that rely on patterned actions that reflect the tacit knowledge of actors – deeply ingrained habits and procedures based on inarticulated knowledge and beliefs. (Scott 1995: 54)

Neo-institutional theory thus focuses on perceiving of human agency as habits, routines, inarticulate, tacit knowledge and taken-for-granted assumptions, often in the form of *institutions*. Such institutions are exogenous, and their existence is explained by previously exogeneously given institutions.

But can we accept this conventionalist view of the unreflexive actor? It seems not to be concordant with a Critical Realist view, which quite to the contrary emphasises that actors must take a normative stand and that giving as a reply to a critique of a particular practice that 'this is the way we do it around here' just will not do, not in everyday life and certainly not in the sociological discourse about everyday life (Sayer 1999: 57-8).

The view of the individual as a reflexive actor and an actor with a purpose does not mean, however, that it is necessary to adopt a RC perspective, even if RC is considered significant in some instances. In sociological theory there are various interpretations of the role and importance of SNs, compared to conduct based on tradition on the one hand and conduct based on RC on the other hand. Particularly Anthony Giddens advocates a reflexive view of social normativity. This originates from his view of the discursive tendency of the individual in late modernity, a tendency which Giddens captures with the concept 'reflexive awareness'.

The concept of reflexiveness is based on Giddens who expresses his view of 'reflexive awareness' as follows:

Reflexive awareness (...) is characteristic of all human action, and is the specific condition of (the) massively developed institutional reflexivity (which is) an intrinsic component of modernity.(..) All human beings continuously monitor the circumstances of their activities as a feature of doing what they do, and such monitoring always has discursive features. In other words, agents are normally able, if asked, *to provide discursive interpretations of the nature of, and the reasons for, the behaviour in which they engage* (Giddens 1991: 35, italics added).

Giddens thus maintains that SNs and ideals are constantly developed on the basis of the reflexive deliberation by the individuals and the balancing of the *different* types of motives where a reference to tradition and habit cannot legitimate certain actions anymore, cf. the expression mixed motivations which seems central in this connection (cf. *e.g.* Udéhn 1993: 251).

The expression ‘actor motives’ means motives which provide a basis of conduct for individuals and the reflexive reasons which individual actors give for acting in certain ways at work and their interpretations hereof. A methodological assumption is that actors are capable of expressing themselves reflexively on this. This point is made forcefully by Giddens who states that in late modern society, tradition or habit is no longer enough in order to state the reasons for certain attitudes or actions:

To sanction a practice because it is traditional will not do; tradition can be justified, but *only in the light of knowledge which is not itself authenticated by tradition*. Combined with the inertia of habit, this means that, even in the most modernised of modern societies, tradition continues to play a role. But this role is generally much less significant than is supposed by authors who focus attention upon the integration of tradition and modernity in the contemporary world. *For justified tradition is tradition in sham clothing* and receives its identity only from the reflexivity of the modern.

The reflexivity of modern social life consists in the fact that social practices are *constantly examined and reformed* in the light of incoming information about those very practices, thus constitutively altering their character (Giddens 1990: 38, italics added).

Here, Giddens emphasises that even the more tacit and unconscious human practices as routines, habits and silent knowledge only exist and can only be found in connection with the actors’ constant and reflexive *monitoring* of their reasons for maintaining these habits, traditions and patterns. Giddens advocates a reflexive interpretation of the conduct of actors. Therefore, SNs are not justified by the fact that they are handed down, that ‘it has always been like this’, or ‘this is the way that we do it here’. On the contrary, today SNs have to be justified reflexively, implying that today it is possible to have *a rational dialogue about norms* and not just to take them for granted. Good reasons for SN positions must be (reflexively) supplied. In a similar way, Elster argues for the necessity of distinguishing between SNs and tradition. Strong orientation towards tradition may be described as traditionalism where obeying one’s ancestors is looked upon as positive and worthy of imitation in itself and where divergence is sanctioned. However, late modernity is usually not characterised by this.

An important argument, furthermore, against neo-institutionalist reasoning with regard to SNs and values would also seem to be that any ‘logic of appropriateness’, any

conventions, routines etc. are *inherently backward-looking*, while SNs and SN motivation is inherently forward-looking. Neo-institutionalist theory lets the agents look to the past for finding ‘appropriate’ modes of conduct, while the theory of reflexive awareness lets agents look ahead. The latter does appear to be the more constructive view.

#### 4. RC as Motivation in Sociological Theory – and the Collective Action Paradox

Rational Action Theory (RAT) is based on the premise that agents are situated in such a way that they can (sometimes must) make a choice between a (usually) limited number of possibilities, in the expectation that actors reflexively consider the choice, that they act from a wish to increase their utility and in the expectation that they are capable of acting in ways that influence their utility. They thus have the following three things a hand:

- *They have alternatives:* there must be something to choose between, different lines of action must be available.
- *They have (calculative) reflexivity:* the mental capability, heterogeneously distributed, to evaluate the alternative outcomes of their optional choices in relation to their own utility, based on prior experience, utilities and preferences etc.
- *They have power:* The various options are really open to them in the sense that their action does make a difference to any further course of action for themselves and possibly also for others. The options are ‘real’ in the sense of CR, even though many of them may not become realized.

The theory presumes that action is generally intentional and that intentions are utilitarian. Some human action may be without any purpose (for example expressive or impulsive actions), and often people act less rationally than they intend to, something which may be a consequence of the fact that intelligence and knowledge are heterogeneously distributed (Coleman 1990: 14ff.; cf. also Abell 1995: 6f.). Thus the rational actor controls his or her own preferences and actions and is able to act and choose on the basis of them. The concept of *individual* utility should be understood in a relatively restricted sense: it may concern the person’s close family and friends, but when we speak of the usefulness to a slightly larger circle of for example colleagues, this should not be understood as a manifestation of individual utility. The major problem associated with this theory is – inspired by Elster – that of the collective action paradox. Since this paradox is highly relevant to industrial sociology, I shall deal with it in some detail here.

Classic sociology and political science earlier on assumed that for human beings in a common problematic situation, as for instance underpaid workers, handicapped persons, landowners, pharmaceutical manufacturers, pig breeders, it would always be rational for such actors to unite in order to improve the common situation. This could be achieved by promoting legislation that directly improves the conditions of the group they belong to, by promoting grants to the trade (cf. the agricultural support system), etc. It is, of course, important to note that this would be the case not only for underprivileged groups, but for all groups characterized as having common features and common problem types. The background for this viewpoint was in part theoretical, namely that it would be rational for such groups to unite (their common conditions can be improved by a collective effort), but also the empirical phenomenon that countless organizations



of this sort exist in modern societies and some of them function with considerable success. In connection with working life this is also true, as associations of wage earners in the form of trade unions are as we all know a classic organization type and they have successfully striven to replace individual contracts of employment by collective agreements concerning wage and working conditions.

This does not present a paradox, but the understanding of the fact that there is a direct relation between a group's collective interests and its ability to organize collectively was dealt its death blow in 1965 when Mancur Olson showed that if an interest group consisting of for example farmers carries out political lobbying and succeeds in influencing the legislation in favour of the farmers, then the goods produced will suffer from market failure because it is a public good. All farmers will benefit from it and it will therefore be most rational for the individual farmer not to contribute to the collective organization (Olson 1965: 48ff.). In terms of working life and employee organizations, the problem can be described in the following way: For the individual worker it is fine if a trade union can improve employees' general wages, but if there is no discrimination against non-unionized workers as to wages (which rarely happens and for good reasons), the most rational course of action is clearly to save the union membership dues, the so-called "free rider" problem. It may be argued here that it can be rational to remain a member of the organization if a withdrawal will weaken the organization's chances of obtaining the desired results. But this brings us, in fact, to the core of the argument: The reason why this argument does not hold is that the individual's contribution (the union membership dues) in all large groups will be marginal for the organization, but non-marginal for the individual. A large trade union will not be economically hurt if a single member withdraws. Compared to all the remaining members the effect unnoticeable. However, union dues are non-marginal for most individuals. A rationally thinking member must therefore think that he or she will not weaken the bargaining leverage of the trade union considerably by withdrawing, whereas his or her own economy would certainly improve.<sup>4</sup> This reasoning is of course not only true for trade unions, but for all collective organizations with non-marginal membership dues.

*The collective action* paradox thus constitutes what was later expressed in Elster's succinct words:

- "Each individual derives greater benefits under conditions of universal cooperation than under conditions of universal non-cooperation", [but]
- "Each individual derives more benefits if he abstains from cooperation, regardless of what others do." (1985: 139)

The case for the individual is that the more people who contribute (participate) the better for him or her. But it is always more advantageous not to contribute regardless of what the others do, regardless of whether only a few, several or the majority contribute (cf. the graphical representation of this in Elster 1989: 28).

If we accept this line of thought for a moment, how is it that collective organizations and interest groups exist at all? How can they exist if they have such cogent, ra-

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<sup>4</sup> One could imagine an individual thinking that the bargaining leverage would still be weakened if 'I were to withdraw' and if 'everybody else was thinking as I do'. This, however, is not rational reasoning, but rather an expression of 'magical thinking', i.e. greatly exaggerated notions of the importance of one's own actions for the actions of others. The fact that such notions are widespread is quite another matter (Hardin 1982: 116; Moe 1980: 202, 207, 254f.).

tional logic against them? Why are there so many of them in existence? Should we not on that background reject the theory? Its premises lead to results that so obviously differ from reality. The explanation given by the rational choice theorists which was launched first by Olson is the so-called “by-product theory”. There are, according to Olson, a far larger number of *latent* groups in society, i.e. groups whose common external situation has the effect that they could be organized to united action, than there are *manifest* groups, i.e. organized groups. For a group to become manifest it must – in relation to the collective good it strives for – also possess the privileged opportunity to offer individual services to its members, or as Olson calls them *selective incentives*. Such incentives can be positive or negative. As an example of a negative incentive, Olson mentions *the closed shop*, whereas the joint pressure is put on the individual to join a trade union, a pressure that can result in complete isolation and dismissal of the individual who refuses contribute. The fact that collective lobby organizations and pressure groups exist is therefore, according to Olson, a by-product of the selective incentives which the organizations have at their disposal. This point of view is a sharp indictment of interest organizations because in this way their political influence cannot theoretically be seen as a legitimate expression of the collective desire of the members, but more as an arbitrary expression of the ability of organizations to coax or coerce members into the organization for reasons fully or at least partly unrelated to its political purpose.

Even though the research findings (theoretical as well as empirical) from this school is controversial and has many adversaries, attention should still be drawn to the new positive insight achieved by these findings. First of all the fact that interest organizations, including those associated with working life, produce both collective and individual goods, which means that when examining trade organizations and the organizational clubs of working life it should be noticed that their efforts are divided between on one hand obtaining general collective benefits for their members, such as increased wages and fewer working hours (benefits that suffer due to the free rider problem), and on the other hand offering a range of services to individual members, services that are members only and that must be regarded as fundamental for the existence of the trade organizations. Some organizational researchers even believe that the trade organizations started out as insurance associations (the working classes often became insured through the trade union in mutual unemployment insurance funds, sick benefit associations, strike funds and burial clubs),<sup>5</sup> in which the very insurance association for members only proved to be fundamental for the organizations’ ability to hold on to their members in the early stages of organization (cf. Hechter 1987: 111-124).

There are, however, also – seen from a sociological point of view – issues regarding rational choice sociology’s understanding and interpretation in this field which must be criticized. I will focus in particular on two issues.

*First*, it is not satisfactory that the reflexive actor is seen as equal to the calculating actor. The rational choice sociologists’ insistence on the idea that following SNs can be explained by individually rational motives in reality deprives these SNs of their autonomy (as earlier stated) as their existence can be reduced to rational choice, even for individual persons. The idea that concepts such as justice, equality, honesty or fairness ultimately have no other reason than utility appears to be a viewpoint marked by a

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<sup>5</sup> As a curiosity, Michael Hechter notes in his historical account of the early development of *friendly societies* in England that workers who could not afford to join both the sick benefit association and the burial club often chose the burial club over the sick benefit association. The social stigma associated with a “pauper’s burial” in the nineteenth century was something to be avoided at all cost (Hechter 1987: 113n.).

substantial *cynicism* towards human motives in general. Believing in this idea – and if believing that such an idea spreads to all or most society members – would imply that any appeal to SNs would soon lose all credibility and thus *become obsolete*. Seeing as everybody knows that all appeals to SNs are motivated by utility, one only has to find out in a negotiating or election situation what the “real” motives of the opponent are. However, seen from an empirical point of view, there are too many deviations from this interpretation for it to be sustained in practice as the *single dominating* actor motive (the fact that it can be sustained as one of several motives is another matter). Many negotiating situations from real life in the labour market present features where the negotiating strategies of the parties *cannot* be reduced to pure rational choice, and where appealing to SNs *cannot* be characterized as opportunistic or strategic. Appealing to SNs can strengthen the bargaining position of the respective party if the norm, for instance, excludes certain solutions which the counterpart sees as rational. The most obvious example of this concerns probably situations where employers offer considerably differentiated wage increases in collective bargaining situations, but where the trade unions reject this with a reference to the more prevailing equality norms among their members. They will reject this even though they are presumably aware that in the end they may risk obtaining less from the employers by standing firm on the equality norm.<sup>6</sup>

There are, however, two specific problems with norms: (A) The fact that norms bind, and bygones are not always bygones, or – in other words – there is a strong resentment towards *ad hoc* innovation of norms. Elster gives the example that during the US depression in the 1930s, many employers chose to use the “ability to pay” principle in such a way that allowed the trade unions insight into their economic situation, something which had until then been unheard of. After World War II, however, when the economy was booming, employers lost interest in the ability to pay principle and again denied the trade unions access to the accounts. The trade union could, of course, not accept this change, and this considerably weakened the bargaining position of the American employers (Elster 1989: 240-241).

But to this must be added (B) the fact that if one party appeals to a norm and the other party can then prove that he or she is not sincere, that he or she appealed to the opposite norm the last time, then the credibility and the bargaining position of the first party is severely weakened. Attempts of strategic or opportunistic use of SNs are generally punished severely in bargaining situations. This is related to the fact that a cynical view of norms, if followed through to the full, is self-defeating. It is simply difficult to account for the continuous application of moral and normative arguments if they are thought to be only a facade. “If appeals to fairness were not at times made sincerely, their insincere use would have no point,” as Hyman & Brough express it (1975: 80, cf. Elster 1989: 234).

Second, – as shown by Elster – there is, however, a more general logical flaw in the rational choice theory’s solution to the collective action paradox, a flaw that even points to how the above problem can be solved. As mentioned above, Mancur Olson, and later others with him, emphasized the closed shop principle as the solution to the free rider problem at work - either in the form of a closed shop clause or in the form of the informal organizational pressure from colleagues. These are both clearly negative *selective incentives* in the form of punishment. As we know, this form of pressure can

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<sup>6</sup> Cf. Elster’s instructive discussion of this question. He based his discussion on the wage negotiations on the Swedish labor market (cf. Elster 1989: in particular 135, 221-231).

be quite severe and put considerable pressure on the individual. Here we meet, however, a strange inconsistency on the part of the rational choice theorists as punishment apparently simply comes from the “colleagues” that is from a group. Olson has not considered carefully the rather complicated question of *who should carry out the sanctioning* of the culprit. What should be remembered here is that the infliction of punishment is generally not individually rational, and this is true even for very mild forms of sanctioning: ‘... expressing disapproval is always costly, whatever the target behaviour’ (Elster 1989: 133). For example, in a group of say 20 people of whom one has broken a social norm, one or two may be enough to inflict a sanction. The rest need only follow suit in a more passive fashion. If you “punish” colleagues, you expose yourself to their personal animosity and a considerable amount of anger just as you may of course expose yourself in relation to the employer. The majority of workers that do not actively sanction thus take a free ride at the expense of the few who do so on behalf of the group. This can not be explained rationally and thus the occurrence of selective incentives in the form of informal organizational pressure can not in fact be explained rationally, as the solution presented by the rational choice theorists merely produces “a second order free rider problem” (Elster 1989: 101). Coleman discusses this question, emphasizing that the very sanctioning will also be subject to rational choice contemplation. He is, however, not of the opinion that this prevents rationally indicated sanctioning, but believes that in such cases sanctioning presupposes the existence of a social relationship that binds the actors to each other. Coleman thus formulates as a precondition for the occurrence of an effective norm:

Stated simply, this condition is that under which the second-order free rider problem will be overcome by rational holders of a norm. To put it differently, the condition is that under which the beneficiaries of a norm, acting rationally, either will be able to share approximately the costs of sanctioning the target actors or will be able to generate second-order sanctions among the set of beneficiaries that are sufficient to induce effective sanctions of the target actors by one or more of the beneficiaries. *This condition depends on the existence of a social relationship among the beneficiaries.* (1990: 273, the italic has been added)

Coleman is thus of the opinion that a social relationship among the ones who will benefit from the norm in question is a prerequisite for solving the second-order free rider problem. In relation to this presentation, this solution is interesting because social relations in the workplace do in fact constitute “the existence of a social relationship,” as stated by Coleman. In the vast majority of workplaces and for the vast majority of wage earners, the relationship among employees is characterized as by relatively constant conditions (which often stretch over years) and by groups of dimensions suitable for the type of mechanisms discussed by Coleman.

The solution is still not satisfactory, as it can only with difficulty explain more generalized SNs, that is, SNs that go beyond small groups. Why is it for instance that the same working norms can be found in workplace after workplace? Equality and freedom norms are quite general ideals that people can support (or reject) with variable strength, and that they interpret into their own actions at work and into their other life spheres. SNs in the form of actor motives must, however, – it must be stressed – in this presentation not be seen as directly contrary to rational choice motives. SNs *may* be contradictory to rational calculation, but are not necessarily so, and in fact are often not.

Whether a specific norm conflicts with rational choice is in fact often an empirical question. But SNs can help us understand what other people feel.

## 5. Social Norms as Motivation

SNs, on the other hand, are a quality of a social system (for example a group) not in the individual. SNs express the individual's consent (which can be more or less forced) to certain rules of conduct or ideals, and they imply that an actor transfers the control of his own conduct or ideals in a certain field to the group. The individual accepts particular shared norms in a group or in society and thus the actor renounces upon a certain part of his or her freedom to act.

SNs are rules of conduct which are shared by a plurality of people, but this plurality may range from the quite small group (*e.g.* the family) to the larger group (working colleagues, members of a political party or a trade union) and to the very large group (a society, a nation state), indeed to virtually all human beings (such as the norm against cannibalism). SNs specify that a certain conduct is judged by a group of people as either desirable or wrong. SNs are connected with sanctions which are either positive or negative, strong or weak: A social norm, which cannot be or is not sanctioned, cannot be characterised as a norm (Coleman 1990: 266, Collin 1997: 153-155; Elster 1989: 99).

SNs should not be confounded with the 'socially normal'.<sup>7</sup> Something may be normal in a society without deviation being neither punished nor awarded just because the majority looks at the phenomenon with indifference or in acceptance of human diversity.

Thus SNs need not be conservative nor preserving (which would usually be a consequence of defining norms as a manifestation of normality or tradition). SNs may both concern a wish to preserve an existing social condition or economic distribution, or they can be about – and typically they are – a wish to change some aspect of the social order, for instance aiming at creating a new economic distribution. This applies to norms of equality which are almost always put forward in opposition to the existing (unequal) economic division. One might maintain that SNs – for example about equality – are more about desired conditions than about desired conduct. However, the norm is probably always directed towards conduct: Generally, a norm of equality will be carried out as a type of conduct at a level of actor or of society which should take place (or not take place): The norm of equal pay to men and women means that certain conduct is thought undesirable, *i.e.* conduct which discriminates between the sexes with regard to pay.

While SNs are normally sanctioned, the enforcement of SNs is generally not individually rational (Elster 1989: 101), another one of the paradoxes prevailing these aspects of human conduct. This is where SNs differ from legal norms. Legal norms are not only always formalized, but SNs are by no means mere extensions of legal norms: There's a substantial intersection of the two, but each set has norms that are not in the other. The most important difference is that legal norms have an apparatus of people behind them, whose job it is to enforce them, *i.e.* to carry out the sanctions against offenders of the rules: if police officers, lawyers, judges, prison officers etc. don't want to

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<sup>7</sup> The concept norm is derived from Latin: 'norma', meaning rule or instruction. The word normal in the meaning average or ordinary is a derivative of a more recent origin.

apply the sanctions, they lose their jobs (Elster 1989: 101). SNs do not have *anything* like that.

SNs, *e.g.* norms of equality or freedom, are general ideals which people can accept and adhere to (or reject) with varying intensity and which they use in their own conduct at work and in other circles of their life. Whether a particular social norm contradicts RC is an empirical question. But in either case, SNs can indeed help us understand other people's thoughts and intentions and thus facilitate bargaining and conflict resolution. This does not imply, however, that SNs always further cooperation. Again, whether they do or not is an empirical question, and there are, from the field of industrial relations and industrial sociology, a great number of studies showing examples of both how SNs can act as factors facilitating and as factors inhibiting the solution of conflicts between agents. Thus, even though SNs are often in sociology considered as the 'glue' or the 'cement' that upholds social order, they are definitely not necessarily a manifestation of harmony, integration or consensus.

This can be summed up as a kind of theory of mixed motivations (cf. Udéhn 1993: 251-3). It is necessary to leave behind the demands of the economic theory and RC sociology that it is possible to reduce all human conduct to rational motivation (and to reduce SNs to rational motivation) and instead propose a theory that actor motives for conduct will be mixed, sometimes of a rational nature, and sometimes altruistic, moral or SN (Elster 1989: 47; Udéhn 1993: 252).

The more precise compounding of the various motives may be difficult to discern, *inter alia* because rational and SN motives will be shared heterogeneously in a population. Actions which some agents may see as motivated by a social norm, others may interpret as an expression of RC, possibly collective RC, cf. the discussion about restriction of output from the field of industrial sociology (the Hawthorne studies and other more recent ones, cf. section 6 below).

This point of view – that SN motivations must be seen as irreducible to optimization – is emphasised also by Sayer, *inter alia* in his instructive critique of Bourdieu (Sayer 1999: 59-62). Here, he notes on the one hand that norms and values cannot be reduced to habit and convention, but on the other that they also cannot be reduced to optimisation, referring here to Adam Smith,

... who pointed out that a good diagnostic of morality is that actions are taken to be good or bad regardless of whether those responsible for them receive praise or condemnation. (Sayer 1999: 58).

Therefore, SN motivations must be *more constant* as motivational drives than RC motivations, less susceptible to changes in the incentive structure that the agent is embedded in. The requirement cannot be that SNs can only be recognised as such when they are adhered to *at a cost*, but on the other hand, if a particular mode of conduct can validly be seen as an expression of a social norm, it must be pursued also when doing so implies that there is a cost. We cannot accept the claim by an agent to want to create more equality (in pay bargaining), if these arguments are only put forward when it pays for the group he/she represents.

Incidentally, this view is not in disagreement with at least one of the proponents of rational action theory (RAT), John Goldthorpe:

[...] the distinction between rational action and action that expresses adherence to a social norm may prove difficult to implement in that action of the latter kind could itself be rational: that is, where it follows from an assessment of the sanctions, positive and negative, associated with a norm. But here [...] the decisive issue could be seen as that of how far the action in question is in fact open to modification in the light of its probable consequences and of those of other courses of action that are available, or that become available as the situation of action changes. If the *degree of actors' commitment to a norm*, or underlying value, *unconditionally dominates* what would otherwise have been their choice of action on the basis of comparative cost-benefit evaluations, so that they *comply with the norm to their recognized (net) cost*, then it would [...] seem best to acknowledge that the limits of the applicability of RAT are reached (Goldthorpe 1998: 180, italics added).

In other words, when SNs or values can be shown to incur net costs on agents, then adherence must be seen as expression of a social norm valued higher by actors than the gains foregone. But not when and only when there is a cost: from the fact that honesty sometimes pays we cannot infer that honesty will only appear when it pays (Elster 1989: 99). Maybe Goldthorpe does not think it will be easy to find many such types of action, but here, many other sociologists will of course disagree. The *methodological* and *analytical* difficulties involved in the program outlined are substantial, although there are studies of collective labour market actors which have attempted more or less to apply this type of framework (Elster 1989: 215-48; Elvander 1988; Høgsnes 1994; Scheuer 2000b).

## 6. Norms of output minimum and output maximum

The best known social norm among workers is the norm of restriction of output. However, there might be a reason to commence by discussing another social norm among workers, the norm that one *should not produce too little*, *i.e.* the norm which in reality expresses the workers' common output *minimum*. In Michael Burawoy's well-known participant research among machine operators at Allied Inc. in Chicago, the minimum was that one should be able to earn the incentive pay *i.e.* to 'make out'; otherwise one is not worth talking to (Burawoy 1979: 64). The same phenomenon was discovered at Hawthorne in a later experiment (The Bank Wiring Observation Room) where one of the four famous group norms (or 'sentiments') was that one should not be a chiseler and shirk contributing one's fair share of the work (Roethlisberger & Dickson 1939: 522). The same actor motive is also documented by Lysgaard (1967: 48) in his famous study of a cellulose factory at Moss in southern Norway and in a number of other industrial sociological studies (another famous study of this phenomenon is Lupton 1963). One could say that in case of piece rate payment – or where other quantified measures for a fair day's work are used – the norm seems to be that a worker is allowed to be paid by the hour if the piece rate for some reason is totally unfair ('goldbricking' in Burawoy's terminology), but the worker who systematically shirks from making incentive pay or who cannot, whatever the reason, this worker does not live up to the demands of the group and of the colleagues to be a 'good worker'. The incentive pay or 'quota' imposes a minimum acceptable effort, and although if a certain training period may be neces-

sary, one should be at the same level as considerable part of the colleagues after a month or two at the latest; otherwise one is frowned upon.

In literature, this norm or this motive is described as part of the workers' own system or set of SNs. Especially in Lysgaard's work, the 'workers' collective' as a system is described as being contrary to the technical-economic system of the company. But in other versions of human relations, too, the dislike of 'chiselling' among colleagues is perceived as a central aspect of the workers' own culture and own SNs. It is worth noticing, however, that the workers' SNs of output minimum are *clearly convergent with the economic exchange between company and employee*. Certainly, management is responsible, *i.e.* the middle management of the company is responsible for taking care that no employee 'shirks' and omits contributing his or her fair share for their wage. Therefore, the workers' shared SNs of doing what one is told to do are convergent with the interest of the company and management in ensuring that nobody shirks. One could say that in this case the 'workers' collective' solves or reduces a management problem as the workers' SNs release or reduce the supervisor's responsibility for supervising those who cannot keep sufficient pace. According to Coleman, precisely in this case the workers' shared SNs reduce the transaction costs of the company (Coleman 1990: 261). In a way, it is therefore paradoxical that for example Lysgaard describes this norm as being contrary to the interests of the company (Lysgaard 1967: 72-79). Also Burawoy (1979: 85) finds the reason for this social norm among the workers in the need for avoiding boredom ('the labour process as a game'), more than in than any acceptance of the norms, values or economic needs of the company in any form. Actually Burawoy thinks that it is the game on the factory floor which generates workers' accept of the rules of the factory behind their backs, so to speak (Burawoy 1979: 93). Nevertheless and contrary to these points of view, it might be assumed that this particular norm or the actor motive expresses the workers' shared wish for being able to sustain their workplace and the advantages connected with it, without risking that shirking among the workers undermines it.

At Hawthorne – in the Bank Wiring Room – the workers had a group contract, and therefore one could suppose that the norm of output minimum simply expressed the workers' collective rational action (when one worker shirks, the others will suffer). However, this cannot be maintained in general since the workers at Allied did individually based piece-work. As regards Lysgaard's research at Moss Cellulose, the quotations from the workers appear to imply considerable individual differences in earnings; however, these might originate from something else than individually based piece-work for example that some do more overtime than others. However, the Moss-workers' aversion was strongly directed also against this. This just cannot be tolerated by the other workers even if individually they should be neutral (Lysgaard 1967: 46). This means that the norm does not only have a group rational purpose but that it has a more general status than as such.

That this social norm solves real problems in the examined companies is possibly underscored by the strength that this actor motive seems to have. Apparently, this motive is endorsed very strongly both in connection with socialisation of younger colleagues, but also in relation to senior colleagues, and probably also today employees in most workplaces are familiar with the antipathy towards colleagues who do not put in their fair share of work.

Generally, the workers in the various studies accept that there is a connection between the effort of the individual and his or her wages – that increasing effort causes



increasing wages and vice versa, although the latter is already not as easily acceptable for the workers as the former. Fundamentally, workers very much approve of the exchange that the employment relationship fundamentally represents. There is, thus, convergence between the wage policy of the company and the workers' judgements of what is right and reasonable. However, this is only true up to a certain limit as it was shown both at Hawthorne and at Allied. This social norm is shown in a number of other studies, *e.g.* Lupton (1963) and Lysgaard (1967). On the other hand, this actor motive – that one should not optimise one's income in relation to the piece-work rate in accordance with company policy, but only produce up to a certain, group consensus based, 'appropriate' level – is of course clearly contrary to the interests of the company, but also to the individual interests of the worker. Thus this actor motive is *clearly divergent* with the economic exchange between the company and the worker, and divergence also exists between the individual, perhaps very able, worker's RC and interest in maximising his or her own earnings on the one hand and the social norm of the group on the other.

Both at the Hawthorne-factories and at Allied Corporation, there was an informal output maximum, restriction of output. Under no circumstances is it possible to explain this maximum as RC at a group level as it has often been done. Because this maximum is often explained – and the workers' also explain the norm in this way – that high productivity of individual workers may change the general rates, a view that finds much approval in the literature. There are three major problems with the argument, though.

*First*, the empirical one: Both Roethlisberger & Dickson and Burawoy have difficulties in finding specific examples of rate reductions in the respective companies based on high efforts of individual workers (Roethlisberger & Dickson 1939: 531-535, particularly 533; Burawoy 1979: 165).

*Second*, and more importantly, *it would not in fact be rational of firms to do so*, faced with some workers' true extra efforts. If the worker can make an extra by putting in an extra effort, both the company and the worker will make money from it, it must be assumed. If rates are reduced, companies will in reality dissuade workers from doing an extraordinary effort. This is not to say that companies do not have incentives to do so after all, but there is no general economic law to say that this will always or mostly be the case. The reason for this is that for workers to truly believe a pay incentive system, they must have trust that management will live up to its side of the (written or unwritten) contract. Trust between workers and management always faces difficulties, due to the discrepancy in competencies and in power. It may take a long time to establish trust, and it can evaporate overnight. Therefore, management has a strong incentive not to break the bargain inherent in a remuneration system. In the literature, the opposite view is usually taken by authors, seeing it as more or less self-evident (*e.g.* Elster 1989: 145-6).

*Third*, and finally, viewing it from the side of the workers, this social norm is naturally very sensitive to free rider problems, because the social norm demands a solution of the collective action problem. The individual worker with a high capacity for producing need not care and in reality the other workers have only weak incentives to punish him as it is obvious especially in Burawoy's text. The strength of the social norm is due to the widespread approval by the workers, *i.e.* a social norm of freedom or of equity in the employer-employee bargain, a RC motive, which runs counter to a social norm of equality (Elster 1989: 221-4), *i.e.* a norm which implies that only to a moderate extent should wage levels and wage increases reflect differences in competence and effort, because all workers should have the prospect of a reasonable living also com-

pared to other workers' (colleagues') living. Therefore, restriction of output in the variants in which it was found in the two investigations may only be explained as manifestation of a social norm.

The types of sanction which the workers use against each other often have to do with different spheres of life than those affected by the norm (in accordance with Coleman 1990: 263). The types of sanction (*i.e.* the workers' means of carrying out the norm) include both mild versions as disapproval, ridicule and stronger versions as social exclusion and perhaps physical bullying (Burawoy 1979: 168-170; Roethlisberger & Dickson 1939: 500-524). Following Coleman's argument, one could say that the workers try to solve the second order free rider problem, *i.e.* the problem that it is not rational for the individual to punish a person who violates a shared social norm. Instead, they socially support the colleagues who carry out the 'punishment' and implement sanctions through what Coleman labels incremental sanctioning, *i.e.* a type of sanctioning, which costs the sanctioner very little, but which – when repeated by many colleagues – has an additive effect on the offender. As an example of this Coleman mentions precisely the workers' 'putting in Coventry' *i.e.* their social exclusion of scabs. In this type of sanction, the expenses which the individual must carry by punishing might furthermore easily be compensated for by the colleagues' mutual praise of each other for sanctioning the person concerned. Coleman stresses how this depends considerably on social interaction in the group that exercises the sanctions and furthermore the group must be a relatively closed group as groups in working life often are (Coleman 1990: 278-285).

This means that this actor motive (just like the first one) is distributed heterogeneously, *i.e.* that workers' concordance with the actor motive about output maximum is not unanimous (mildly spoken). This is clearly evident from Roethlisberger & Dickson's account: the authors note clearly the problems of the workers who do not wish to submit to the norms of the working group, and similarly Burawoy describes incidents where some workers did not adhere to the shared norms and insisted on handing in much more than the output maximum. Lysgaard's text, also, is spiced with examples of workers whom the collective has to 'call to order', apparently with varying degrees of success. The women at Hawthorne in the First Relay Assembly Group certainly transgressed the output maximum from the factory floor, but this may be explained by the special arrangement of the experiment: the women were isolated from their normal group of colleagues, and instead they came to associate closely especially with the company researchers who guided the experiment. Even here, however, close reading of the Roethlisberger & Dickson shows that even if the actor motive of output restriction may dominate the workplace, then this to be understood in the way that *a majority of workers* join and maintain this motive among each other and newcomers, the concordance with this maximum is under no circumstances total and adherence is never absolute. If support to a norm or sanction against this can be called effective, theoretically, it need not be 100 % effective:

To say that there is an effective sanction does not imply that the sanction is always effective or effective for all target actors, but that it is effective for at least some target actors some of the time (Coleman 1990: 266).

The two SNs and their interaction with RC motives may be illustrated graphically, cf. Figure 1. On the horizontal axis the level of production or performance of the individual worker is shown, and the two levels stated (125 and 140%) are based on the

situation at Allied as described by Burawoy (1979: 58, 90). On the vertical axis of the figure, two types of motives towards these production levels are indicated, from the RC and from SN approaches, respectively. The level of performance with the two percentage figures stated should of course only be seen as examples as they may be replaced by many other measures of the workers' productive performance. The output minimum, (A) in Figure 1, *i.e.* 125%, does not only express that the individual worker must work, he must really make an effort which demands both a certain training and a certain effort to reach. Performances below this level are 'not allowed' and are sanctioned negatively by the colleagues in the shape of lacking social interaction *i.e.* 'putting in Coventry'. The company, too, expects that the employee tries to earn incentive by being able to produce 125% after a certain training period. One could say that in this case the workers use the lower limit of the company of incentive pay as their own measure of when somebody is a 'good colleague'. There is convergence between the demands of the company and the workers' shared social norm.

Figure 1 about here

The situation is different when it comes to output maximum, (B) in Figure 1. Two actor motives here collide: On the one hand is the principle of the company and of the wage system which may be described as a principle of maximisation: The individual is encouraged by company pay policy to maximise his effort, since this will immediately be rewarded in the form of higher payment. In principle, there is no upper limit and as described by Burawoy experienced workers might often reach a level of performance which is considerably over 140%: up to 180% is mentioned. However, the incentive of the wage system and of the individual to maximise and produce as much as possible is neutralised by the workers' shared minimum. Thus, if one can express the pay policy of the company as: *Maximise your effort and we will reward you proportionally*, this is then partly neutralised by the workers' social norm, which supplements the former with: *... up to a limit.*

Maximising and maximum thus counteract and create divergence in actor motives of the workers. The individual worker is forced to *choose* whether he or she wishes to follow the possibilities given to him by the company or if he wishes to follow the colleagues. Especially relatively newly appointed employees do not have difficulty in making their choice.

One can say, thus, that Figure 1 describes an *interval of performance or effort*, which may be more or less narrow and which the workers must try not to exceed. These norms may be also be expressed a number of ways as expressed in *e.g.* The Bank Wiring Room where the company had a fixed norm of how large the individual's daily production (the bogey) should be, but where informally the workers had another, and somewhat lower, understanding of the size of the bogey. Some of the workers even believed that the informal bogey was the formal one, and apparently the workers' informal social norm system was so dominant that some of the workers simply did not know that they did not follow the wage system of the company. At Hawthorne one could also find the output minimum and therefore the argument in Figure 1 also applies in this case (Roethlisberger & Dickson 1939: 522).

Theoretically, one may argue that the relationship between maximum and minimum may be convergent or divergent in the relation between RC and SNs. Thus if the balance between maximum and minimum (B minus A in Figure 1) is approaching zero,

*i.e.* that there is practically no difference between the minimum acceptable and the workers' informal output maximum, this will clearly be divergent in relation to the interests of the company and in relation to the workers' individual RC motives. After all, only in rare cases the minimum acceptable may be similar to what the majority of the workers can perform. Conversely, the convergence between the interests of the company and the workers' SNs increases when the difference between maximum and minimum is increased. The fact that there is a maximum only becomes a serious problem for the company when it influences the work effort of a significant part of the workers. Even if this maximum therefore expresses divergence, naturally the importance of this divergence decreases, the higher it is. Generally, implementation and influence on minimum may be carried out in interaction with the workers' SNs while influence on maximum to a larger extent depends on the condition that the importance of some of the workers' shared norms is weakened. As regards research, the interesting question today is not so much the question of *whether there is* an output maximum but rather *what relation* output maximum and output minimum have to each other.

How can we consider this type of motivation at work? Does it express a social norm, or is it simply an expression of RC by the workers involved? In many Marxist interpretations this 'norm' expresses the workers' *collective* economic interests, and it is therefore not a social norm. In RC interpretations, such as Elster's (1989: 146), basically the same view is propagated. In the view of the HR researchers from Hawthorne themselves, however, these norms were as they labelled them 'sentiments', emotive inducements deriving from the individual worker's desire to belong to the group (of workers). Mayo and his colleagues clearly indicate with this usage several things, namely

- that they consider this conduct by the workers irrational, since workers are unable to supply tenable reasons for it,
- that it expresses a deeply felt 'sentiment', which must be taken seriously by management, and not just be condemned, and
- that it comes at a cost both to workers and management (cf. Roethlisberger & Dickson 1939: 379-95; Scheuer 2000a: 77-84).

While it may be accepted that the interpretation of management behaviour by the Hawthorne researchers is slightly too benevolent, the more 'worker-side', 'class-strugglish' views of output restriction seem to ignore that output restriction, especially in its harsher forms, may very well incur considerable costs on the majority of the individual workers, and thus become collectively irrational. The assumption always seems to be that workers stand to lose if they do not apply output restriction, while their possible losses in a situation with strong output restriction are generally unspoken of.

## **7. Conclusion: Social Norms, Rational Choice – and Critical Realism**

First, let me return to the philosophical issues outlined in section 2 above, before I look at the conclusions with regard to the substantive issues discussed in this paper, and let me sketch out some possible consequences with regard to the stratified ontology of CR from the discussion above. Different *interpretations* of actor motives may be said to

belong to the epistemological, thus explaining the great degree of variance, indeed the relativism of these interpretations. Ontologically seen, however, actor motives of whatever kind are real, and differences in time and space between observers of these motives at work do not seem to prevent a deeper acknowledgement that what we are discussing is basically the same thing. Motivations (rational, normative, emotive) are real generative mechanisms, fundamental driving forces for and in formulating laws about human conduct. As I have shown, they may keep each other in check, implying that the subscription by an individual to a particular social norm may be prevented from expressing itself by other types of motivations in that same person.

If the real consists of motivations and constraints, the actual is those actions carried out on the basis of motivations and constraints, and the empirical is that part of the latter, that may be experienced, this paper has shown the complex interaction of two fundamental types of human motivation, both in the sphere of the real and in the movement from the real to the actual and the empirical. Generative mechanisms and laws from the sphere of the real do not translate themselves easily or straightforwardly into the actual or the empirical, but it is the task of a social science and of a sociology based on a CR philosophy to show how these mechanisms may interact and how they can be seen as expressing themselves at the level of the empirical, *i.e.* where what goes on does meet the eye.

The discussion above demonstrates that neither pure RC motives nor pure SN motives offer good explanations of the workers' general conduct or of their own interpretations of this conduct. The two models of explanation figure with varying relative weight, and the balance may vary both with the subject area, but they may also vary among the workers, since both RC and SN motives are heterogeneously distributed among workers.

The significance of this is that workers not only have these two types of motives, but that they actively and reflexively select between them in specific situations and that these choices are often made on a relatively informed basis. The purpose of this article is to show that applying a *sociological* perspective on economic life need not imply that one applies a conformist perspective to everyday actors. Sociology's denial of RC often leads to the denial of the reflexive individual. Quite the reverse, contrary to the theoretical schools and orientations, the best research in this field shows the actors to be reflexive persons and it shows that this reflexivity is both based on rational motives and on SN motives, which sometimes converge, sometimes diverge (cf. Elster 1989: 97). Furthermore, the article has shown that the classical literature demonstrates considerable variation and heterogeneity amongst workers and amongst groups of workers and the very heterogeneous distribution of opinions and motives. SNs are characteristic of social systems and not of individuals, and at the workplace SNs characterise both the relationship between the employee and the superior and the relationship between the employees. However, one should not forget the individual actor's possibility of reflexively dealing with both types of SNs and which role that they ought to play with regard to the individual's sense of own utility. As Hyman puts it: 'Each worker is *simultaneously* an individual and a participant in an array of collective relationships' (Hyman 1987: 43).

This is underlined by the fact that the opinions or motives should not be perceived as fixed schemes into which everybody or the majority of the workers can be classified. There are considerable differences between workers as regards the kind of actor motives they 'subscribe to' so to speak, differences which mean that the actual balance between an opinion of whether career possibilities in the company exist for the individual or of

the company's fairness in measuring rates of piece-work must always be an empirical question with considerable possibilities.

In a more general vein, the outline of the argument set out above can be summarised as follows and in the graphical representation in Figure 2 (cf. Elster 1989: 151). Crudely, the RC, individualist version of human agency (Figure 2, A) assumes that human agency is formed mainly by human self-interest, but that this self-interest does not always express itself directly, but in mitigated forms, e.g. via SNs. In this version, SNs become embedded in the RC framework, where they are derivatives of individual actors' optimising choice. This may be labelled the individualist-reductionism fallacy. It deprives actors of anything other than self-interested preferences, and reduces obvious non-utilitarian modes of reasoning and acting to RC.

Figure 2 about here

On the other hand, the holist version, represented here by neo-institutionalist theory in organisation theory (Figure 2, B), views human agency as primarily motivated through isomorphism, imitation and logic of appropriateness. In this paradigm, RC is viewed as an expression of this logic, so that the appearance of undertaking RC becomes the important factor, and RC thus becomes embedded as a function of isomorphic factors at play. This then is the holist-reductionist fallacy. It deprives actors of the individual reflexive awareness and lets all choice reside in the 'whole' the 'system', the network or the structure.

The model of action proposed in this article then combines the insights from the two former models, while attempting to safeguard the individualist premise and avoid the individualist-reductionist fallacy (Figure 2, C). This model is elaborated on the basis of Elster (1989: 151). This model starts by implying that both self-interest and social values, emotions and traditions have independent motivating power (have reality) but are at the same time irreducible to one another (Elster 1989: 125-51; Sayer 1999: 58). From self-interest follows RC motivation, and from social values etc. follows SN motivation. Complexity arises then for three basic reasons.

- (i) RC motivation can impinge upon the choice of SNs the actor undertakes in a situation. It is possible that RC motivation can (consciously or unconsciously) induce the actor to choose a self-serving social norm. But while it is possible, it is no general law of human agency.
- (ii) Conversely, SN motivation can likewise encroach upon RC. SN motivation in a given situation or a given society may exclude particular types of RC, which might be thought of as obvious in other connections. (Matthew's Law of bargaining is an example of this: Strongly unequal power between bargainers will always give the lion's share to the stronger party under assumptions of rationality, but SNs about equality can in some situations counteract this so-called 'Matthew Effect', cf. Elster 1989: 57).
- (iii) At the end of the day, the actor may have to choose between what is in the better agreement with his or her personal interests and what is in agreement with the prevalent norms of society or reference group, to which the actor (to a smaller or larger extent) subscribes.

These three types of complexity are not always present, since in many cases it is obvious to actors whether they should act under RC or under SN motivation. But often enough, paradoxes and dilemmas arise: The extent to which agents act under the one or the other is certainly to a very large extent an empirical one. Both RC and SN motivations are forward-looking, thus enabling for sociologists an alternative to pure RC thinking which does not find its rationale in backward-looking or inherently and essentially conservative modes of reasoning. It does seem to make sense – from the vantage point of CR – to interpret the types of motivation discussed in this paper as real in the sense of real generative mechanisms, which can form the basis for the formulation of social science laws of human conduct, *i.e.* the conduct of the individual, and thus as ‘real’ in the Elsterian as well as in the Bhaskarian sense.

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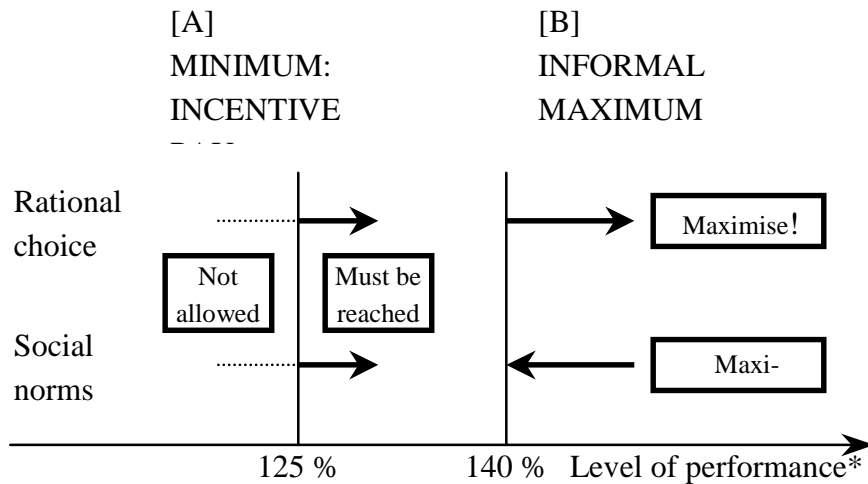
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**Figure 1.**

**Output minimum and informal output maximum: Convergence and divergence between rational choice and social norms at the workplace.**



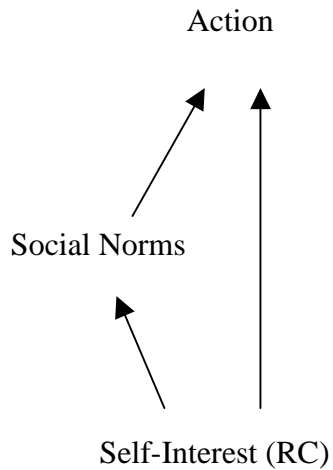
- A. Convergence between rational choice and social norms among the workers: Both the wage system and collegiate norms dictate that the performance should not be below this level.
- B. Divergence between rational choice and social norms among the workers: The pay system gives an incentive to maximise output and thereby personal income (or group income) while collegiate norms dictate that this is not permissible beyond the output maximum.

\*: Level of performance may cover various measures, the figures shown here exemplify it using the measures from Burawoy's text (1979:58,90,163). Thus pieces may be produced but also goodwill and flexibility may be shown, overtime done, possible free overtime, will to skip breaks etc.

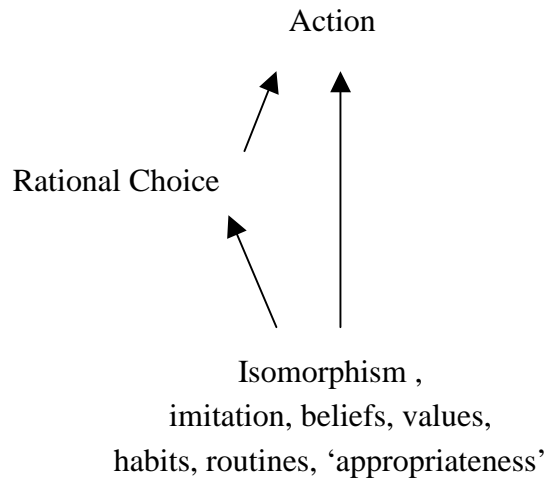
**Figure 2.**  
**Holist or Individualist?**  
**Models of Action at Work Under Rational Choice**  
**and Social Norms in Sociological Paradigms**

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**A. Rational Action Theory**



**B. Neo-Institutional Theory**



### C. Adapted Elster Model - A Synthesis

