

# Legitimacy Lost and Back to Normality

## Scandals in the Public Sector – the Swedish Case

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### Abstract

Scandals provide an opportunity to generate more knowledge about the process in which organizational legitimacy can be restored. This article is based on a study of all scandals in the Swedish public sector from 1995-1997 and four case studies in four organizations conducted 2003. In scandals in the Swedish public sector, players in leading positions are linked to some transgression, often of a financial nature. The less expected the transgression, the stronger the public reaction and the more the organisation's legitimacy diminish. A scandal implies a failure for everyone in the organisation. The organisation is subjected to questions, scrutiny and slander. Because the tough scrutiny, it becomes difficult to decouple what is said, decided and done. The organisation is focused on acting conformably to external demands. By paying attention to external reactions, the organisation adapts and learns what may, ought and should be done so that it never again finds itself involved in a scandal. Simultaneously, the organisation prepares itself for future scandals. When the organisation feels that those outside the organisation consider it is living up to external expectations one can say that its legitimacy is restored. When the organizational legitimacy is restored, external pressure returns to normal.

### Keywords

Organizational legitimacy, Scandal, Organization, Corruption, Isomorphism, Public Sector

### Introduction

Scandals in the Swedish public sector are common nowadays (Johansson, P. 2004). This is rather surprising since it has previously hardly been associated with scandals. Although scandals are common, there has been very little research on scandals as an empirical phenomenon. Legitimacy is something that organisations have and need. And organisations that are involved in scandals find that their legitimacy is called into question and reduced. Scandals provide an opportunity to generate more knowledge about the process in which organisations legitimacy is reduced and the way in which the legitimacy can be restored. The aim of this article is to generate knowledge about these processes.

In the first part of the article, the relationship between organizational legitimacy and scandals are discussed. In the midsection, the two studies that the article is based on are presented. The first study, presented very briefly, is a study of all scandals in the Swedish public sector from 1995-1997. The second study consists of four case studies in four local governments conducted 2003. In the last section conclusions are drawn and discussed.

### Scandals and organizational legitimacy

All countries have a public sector, and for a long time, public sector scandals were primarily associated with so-called developing countries. A wave of scandals in the Western world have changed the picture of the western public sectors (Newell & Bull, 2003, Johansson, B., 2006; Sanders & Canel, 2006; Sjöstrand, 2005). Organisations are dependent on their environments (Powell & DiMaggio, 1991), and public sector organisations are no exception. If their legitimacy is threatened or damaged, they encounter problems (Suchman, 1995). Scandals undermine the organizational legitimacy of the organisations associated with them, and are thus problematic (Johansson, P., 2004; Zapata Johansson, 2006).

### Organisations' legitimacy and the organizational environment

With the help of organisations, actions can be coordinated in order to achieve results that individuals cannot achieve alone. The manner of coordination can vary infinitely. In early organizational analyses (e.g. Taylor, 1911 or Fayol, 1916), good organisation meant carrying out an organisation's activities in the best (rational) possible way. The management decided what organisation methods should be used, and the organisation was regarded as a closed system.

The environment can also be regarded as the source of the resources that an organisation needs and depends on (Pfeffer & Salancik, 1978, Pfeffer, 2003). Organisations are then no longer regarded as closed systems, but as open parts of a larger system (in countless variations, see Scott 2002 for further details), which are dependent on the environment. Later studies showed that in addition to the members of the organisation itself, the surrounding world also has ideas on how the organisation should be run (Meyer & Scott, 1983; Scott & Meyer, 1994). John Meyer and Brian Rowan showed (1977) how organisations adapt to their institutional environments rather than concentrating on the best way to perform its activities. In other words, rather than unconditionally prioritising the best organizational methods, they adapt to external ideas of how their activities should be performed: organizational isomorphism (DiMaggio & Powell, 1983; Deephouse, 1996; Oliver, 1991).

The view of organizational legitimacy is, essentially, fairly consistent, and has its starting point in Talcot Parsons's work (1956, as cited in Pfeffer & Salancik, 1978), where organisations are regarded as parts of a larger system and legitimacy is a prerequisite for continuing to be part of that system. Legitimacy simplifies an organisation's relations with its environment because the organisation's degree of legitimacy determines others' willingness to contribute resources vital to the organisation (Pfeffer & Salancik, 1978; Deephouse, 1996). The less legitimate it is, the more resources must be invested in

trying to convince the surrounding world to interact with the organisation – as customers, suppliers, employees etc. For instance, a narcotics syndicate can be successful despite lacking legitimacy, but constant questioning from legislators, police and other organisations undoubtedly makes life more difficult. In this respect, legitimacy can be seen as a resource that creates freedom.

Through interactive processes, we collectively create notions about the world and institutions, which we subsequently tend to take for granted (Berger & Luckman, 1966; Hacking, 1999). Notions of how one's own organisation should operate and coordinate its activities are institutionalised among the organisation's members, and over time, the organisation's activities and processes are largely taken for granted (Meyer & Scott, 1983; Scott & Meyer, 1994). Structures and processes acquire their own intrinsic value; they are needed because they are part of the system, and not necessarily because they are indispensable to its activities (Brunsson & Olsen 1983; Selznick, 1957).

In other words, the organisation's legitimacy is determined by how the organisation responds to external norms. This represents a different view of what an organisation is: taken to its extreme, this view holds that rather than being a system for the coordination of actions, an organisation exists because it exists. An organisation's legitimacy is not determined by how well it coordinates its actions, but by how well it complies with the expectations in the organizational environment. It is consequently a matter of opinion what the most suitable organizational methods are. An organisation that is accepted and regarded as legitimate by its environment is a legitimate organisation (Suchman, 1995).

#### Hypocrisy for legitimacy

Organisations develop various strategies for influencing and satisfying the environment's demands (Scott, 2002 p. 211). One strategy is to separate the organisation's façade and activities through so-called decoupling (Meyer & Rowan, 1977). The façade meets the environment's demands while the activities occur in more sheltered conditions behind the façade (Thompson, J. D., 1967).

How a façade that is accepted by the environment looks and is maintained is a complex question. Organisations' environments are highly demanding, and furthermore, the demands are conflicting. "[Organisations] ... should not only be profitable. They should provide employment; offer a good working environment that provides opportunities for personal development; provide their employees with decent wages; give good service to their customers; contribute to the prosperity, GDP, export revenue, and the general progression of the countries in which they are active, - while not polluting the environment ... as positive as these demands are, it is not easy to for a company or a state to satisfy them all. Success in one dimension often decreases success in another." (Brunsson, 2003, p. 203)

Nils Brunsson has further developed John Meyer's and Brian Rowan's theories on decoupling and found what he calls organizational hypocrisy (Brunsson, 1989). Organisations meet the environment's conflicting demands through organizational hypocrisy: what the organisation projects outwardly in the form of talk, decisions and actions are mutually contradictory (Brunsson & Jönsson, 1979; Rombach, 1986). Simply speaking, the organisation says one thing, decides something else and does something else again. One is not necessarily better than the others; it is just that the three arenas meet different demands.

#### Scandals diminishes legitimacy

From a literature review (see Johansson, P., 2002), I define scandal in the public sector as (Lull & Hinerman, 1997; Markovits & Silverstein, 1988; Thompson, J., 2000; Moodie, 1988; Doig, 1988; Jiménez, 1996; 2004):

A scandal is the public opinion reaction that follows when it becomes known that an actor(s) employed by or representing a public sector organisation, through actions, attitude or position is connected to a transgression that deviates from what is expected from the actor. The fact that it is the reaction of others that determines whether it is a scandal or not implies that scandals are public – there are no secret scandals. Attempt to hide the transgression might make the scandal bigger, as will lies. The transgression may be invented, but if others find the scandal story credible, the scandal will continue and the audience will want to learn more. However, if the story loses its credibility, i.e. by proof that it is untrue, the scandal might stop.

Scandals highlight organizational legitimacy and raise legitimacy as a subject for discussion. Organizational literature conveys the idea that organizational legitimacy exists and is necessary, but normally attracts little attention: "As with the existence of social norms generally, legitimacy is known more readily when it's absent than when it is present. When activities of an organization are illegitimate, comments and attacks will occur." (Pfeffer & Salancik, 1978 p. 194)

Scandals suggest that public sector organisations are not being properly run. A well-run public sector is legitimate, while a public sector with scandals has its legitimacy threatened. A sound public sector functions quietly. It is unlikely that public sector organisations would continue operating with diminished legitimacy without trying to solve the problem. It is more likely that an organisation that has lost too much legitimacy would take measures to restore its legitimacy. A specific aim of this article is to examine how organisations go about rebuilding their legitimacy after a scandal.

#### A first study – Scandals in the Swedish Public Sector

Scandals are public by definition. No doubt, there are scandals that stay in the neighbourhood or the camp site, but if one wants to study scandals in a public sector, media is a suitable source of material. Article databases enable reading of extent media material (Altheide, 1996). In the first study that this article is based upon I have searched for articles on scandals published in *Aftonbladet*, *Göteborgs-Posten* and *Swedish Dagbladet* 1995, 1996 and 1997 in the *Mediearkivet* (the media archive – [mediearkivet.se](http://mediearkivet.se)). *Aftonbladet*, *Göteborgs-Posten* and *Swedish Dagbladet* are three of Sweden's largest daily newspapers and represents, at least in theory the left, middle and right wings; and also some geographical difference, one paper have their readers mainly in Stockholm, one in Göteborg and one is distributed to all of Sweden.

The study's main result is the typical characteristics of a scandal in the Swedish public sector, which norms that are transgressed and by whom: In scandals in the Swedish public sector, players – most often men – in leading positions are linked to some transgression, often of a financial nature. The less expected the transgression is, the stronger the surrounding world reaction is and the more the organisation's legitimacy diminishes. The organisation, in which the person who has caused the scandal works, is subjected to questions, scrutiny and condemnation, which put greater pressure on the organisation to react and

do something (Johansson, P., 2002).

## A second study – Consequences of reduced legitimacy

Most people learn about scandals through the media (Lull & Hinerman, 1997; Thompson, J., 2000). Even the employees of the organisation involved in a scandal learn most about the scandal through media reports. If nothing else, they probably learn about the scandal through the media and add this information to any insider rumours circulating in staff rooms and corridors. The actors themselves and other people directly involved in the scandal are likely to have a completely different picture of the scandal to the media's version. In other words, for most of us, the scandal is equal to the media's version. But the more personal one's involvement in the scandal and the closer one is to the events (whether true or fictitious) and the people involved in it, the more likely one is to have a personal view that differs from, or is more detailed than, the media's view.

In the second study that this article is based on, I leave behind scandals in the media and discuss the consequences of scandals from an intra-organizational perspective. I have studied organizational consequences of scandals through four case studies in four different municipalities – two that have been involved in scandals and two that haven't. The case studies consist of interviews with municipal executives and politicians, with whom I discussed scandal and their consequences.

### Scandals consequences

A consequence is something that follows on from something else. An occurrence or action is needed to cause the consequence, a thrown stone that crashes a window, for instance. It might be just a thrown stone, or it might be a part of a bigger chain of actions, like a demonstration that turned into a riot – a simple example can easily be turned into a complex story full of sides and different perspectives. Social phenomena can always be seen from another side, a consequence of the socially constructed world with its subjective truth. But that is not to say that anything goes, there are differences between subjective truth, untruth and nonsense.

Consequences are of different kinds. Some can be noticed directly after the cause occurred, and some later on. Questions are started to be asked in the very beginning of a scandal whereas the result of an investigation will be presented later. Other consequences also have consequences for other organisations then the one involved in a scandal. If one local government can, others can too, external examiners might think. Some consequences are more noticeable than others. Changes of rules and defections differ from feelings of shame or rumours. They are all consequences, but they are variously difficult to identify. A change of rules are usually documented and can be seen, but a feeling is felt within a person and has to be told for others to know about it – or it may stay unknown.

The consequences analysed in this article are consequences that interviewees say are consequences caused by scandals, nothing more and nothing less. Surely, there are other consequences, but these ones are interesting because they came up during discussions about scandals and thus represent ways to think and talk about the scandal phenomena and its consequences for organizational legitimacy.

### Burke's pentade

To understand the motive behind an act, we need answers to some questions. Kenneth Burke has formulated what is called the "Burke's Pentade", in which he gives us the questions: "Men

may violently disagree about the purposes behind a given act, or about the character of the person who did it, or how he did it, or in what kind of situation he acted; or they may even insist upon totally different words to name the act itself. But be that as it may, any complete statement about motives will offer some kind of answers to these five questions: what was done (act), when or where it was done (scene), who did it (agent), how he did it (agency), and why (purpose). (Burke, 1969, p., xv)

Stories about what others do are often incomplete and Burke's five questions are, hence, not answered. As a result, we do not really know why a person did like she did. And when we do not know someone's motive, we ascribe it to her (Gustafsson 1994, p. 65). If we believe something to be a consequence, we treat it like one. For instance, if we believe that a top politician resigns because of a scandal that followed due to her private use of public money, then the resignation is a consequence of the scandal. The cause and the consequence as described (by media) are enough for us to understand what happened. The motive that caused the resignation may have been another, but when we (everybody but a few) believe what we believe and act accordingly, that does not really matter.

### Presentation and analysis of interview data

Most of the interviewees' answers were stories and anecdotes. It is not surprising as we use stories to communicate, entertain, explain, to teach and to learn (Czarniawska 2004), not the least in organisations (Gabriel 2000). In the next section, the discussions with the interviewees are presented. The text is (re)produced from the told stories rather than a representation of the interviews (Czarniawska, 2004). Put together into one the stories forms a text written with the ambition to describe what happens in an organisation during the process of rebuilding reduced legitimacy in a credible way (White, 1973).

In analysing the data, I have used Kenneth Burke's pentade as an analysis tool and searched the interviewees' responses for answers to the questions what, how, who, where (when) and why (Burke, 1969). The interviewees represents their local governments, the answers to the questions who and where are therefore not always spoken out. If nothing else was said, I have interpreted who to be the management team and where to be the organisation each interviewee represents.

The consequences of reduced legitimacy are divided into three themes or main categories (Corbin & Strauss, 1990): others' actions, own actions and self-perception. These three themes differ from each other in several ways. Firstly, they contain different amounts of information (answers). The theme own actions contains most answers and six consequences (answers, investigates, structures, regulates, relinquishes, observes others), the theme others' actions is the smallest theme in terms of both number of answers and consequences (three: ask questions, scrutinizes, slanders). The theme self-perception has five consequences (perception of being: a failure, stigmatised, misunderstood, watched, strengthened), each containing fewer answers than the largest theme.

The differences are partly ascribable to the way the data was collected. Municipal executives and politicians were asked what a scandal would mean to them if it involved their own (or another) municipality. The fact that their answers mostly concerned what they would do during and after a scandal is perhaps not very surprising; if I had interviewed staff in a media company, they would probably have spoken more about what they do and less about what is done in other organisations. The themes also differ in that they are, in part, consequences of each other.

## Handling Scandal Consequences – The Way Back to Normality

In this section, the three themes and the consequences they include are presented. The section ends with end of the scandal process.

### Other's Actions – External Pressure

Swedish Municipalities are normally monitored intensively by their environments. Because of the right-of-access principle, municipalities are open organisations that are easy to monitor from an outside perspective. Another principle in municipalities is that the political leadership should represent the people, i.e. parts of the organisation's environment. Many people have – as they should – the right and opportunity to exercise pressure on the organisation with the aim of influencing the municipal government to act according to their own preferences.

A transgression that leads to a scandal upsets others when the transgression becomes publicly known. This is the basis of a scandal and the point where the process of restoring legitimacy starts. The scandal greatly increases public focus on the organisation, leading external pressure to intensify. Others seeks answers by asking representatives in the involved organisation what happened, how they view the scandal, what will be done about it, how it could happen etc.

Media representatives are the most conspicuous part of the environment. They ask questions at press conferences and by contacting people who might have answers. The person linked to the transgression – the scandal actor – is an obvious person to ask, if possible, as are his manager and colleagues. Other people who are asked are the ones that normally answer, for instance the organisation's public relations staff, or people one knows. The municipal government – primarily the Chairman of the Municipal Executive Board, other municipal commissioners and the Municipal Chief Executive – are also asked, since their functions include responsibility for what happens in the organisation, and because they are expected to answer questions.

There are more players in the environment who ask questions. Other authorities, the public, people in other municipalities and employees from the involved organisation who work at a distance from the scandal also want information. So do industrial representatives from the municipality, friends and acquaintances.

Everyone who can puts questions to everyone they think can provide answers. But the answers are not always enough for those posing the questions. They want more information, either to make the answers to their questions more detailed or to create a basis for further questions. To this end, the organisation is scrutinised along with its minutes, diaries, verifications, decisions and the execution of decisions. These elements are scrutinised to find inconsistencies and new information. The answer to a question can be compared to information gained elsewhere and used as a new question. For instance, the perpetrators of one scandal were asked why a hotel bill had been paid for with municipal funding. They replied that they had been on a business trip. When a later inspection revealed that the municipality had also paid for their wives' hotel accommodation, a scandal ensued and the municipality's doings were examined further.

Examination and questioning leads to answers. The media reformulates these answers into articles and radio or TV spots, which in turn reach other interested parties. Local media coverage of the scandal reaches the national media, and if they find the scandal sufficiently interesting they also ask questions, which lead to more answers and can generate more questions. Other

parties than the media reformulate the questions into verbal information, documents, letters to the press and other ways of discussing the answers to the questions about the scandal.

When an interesting issue is extensively and avidly talked about, people may be careless about what they say. Sometimes it is just important to say something, so that an article sells or to make the speaker sound better informed than he or she actually is. As one interviewee said, the truth is not always the most important thing. Besides not coinciding with the interviewee's picture of what happened, rumours and verbal and written accounts tend to be generalised. Although the scandal's perpetrators are just one or a few people, the written and verbal accounts suggest that everyone linked to the municipal government were involved in the scandal, causing them to be collectively blamed and condemned.

A municipality with intact legitimacy is also examined, for instance through inspections, public elections and local press coverage. Questions are asked and the municipal administration is discussed. During and after a scandal, the environment's normal interest in the organisation changes and becomes more accusing. Questioning, examination and condemnation collectively put pressure on the organisation. The next section explores organisations' reactions to the external pressure.

### Own Actions – Reactions

A Swedish municipality is usually seen as a pro-active organisation. This is how they are expected to be; part of the municipal authorities' legitimacy rests on the idea of autonomous municipal governance. Public officials make decisions and implement them, then compare the results to their goals so that any necessary adjustments can be made. The municipal government is also action-oriented during a scandal, but the initiative for the action no longer comes from the municipality but from the surrounding world. On the one hand, the environment puts strong pressure on the organisation and demands that something be done, while on the other hand doing nothing seems a poor option when the organisation is in trouble. Giving a reaction is expected. It is the external pressure that determines what must be said, decided and done. The municipality's problems and priorities are formulated outside the organisation according to other parties' conditions.

The difficulty of balancing the desire to act fast and the need to act correctly comes across clearly in the responses. The questions from the environment are being asked at virtually the same time as the organisation's members first learn of the transgression. The ensuing questions need to be answered, and the interviewees reported that they both want to and have to answer them. A delayed answer is easily interpreted to mean that the organisation is hiding something, even if the delay is because the municipal government is busy finding out what happened. A prompt answer is good, but only if it is correct.

The organisation's spokesmen also communicate outwardly that they are aware of the problems, that they are tackling them, and that it will not happen again. To back up their claims, various symbolic decisions are made such as tightening up regulations, opening up the municipal government and examining the employees' moral standards. A scandal must not be allowed to happen again.

To complicate matters further, it is doubtful whether there are any good reasons to change the organisation: a few people committed errors, but the organisation is basically sound. Making changes has no purpose except reacting to and satisfying the external demands for rectifying measures.

A scandal leads to increased external pressure, which the mu-

municipality tries to adapt to. After a varying period of adaptation, restructuring and symbolic changes, the municipality involved in the scandal appears to be following the strict indications despite being under close scrutiny. The municipality is once again a municipality. If it commits no errors, no cautions are required. After experiencing failure, public condemnation and misunderstandings, the municipal government begins to feel strengthened and ready to tentatively start taking initiatives again. They have learned what they can and cannot say and do, and are rewarded with reduced public pressure when they act correctly. The external scrutiny no longer needs to be so strong and returns to a normal level. The surrounding world has disciplined the municipality through monitoring and examination. As a result, the situation has returned to normal.

#### Self-perception Experiences

The third consequence theme, self-perception, runs more clearly through the process of restoring organizational legitimacy than the other two: it progresses from a feeling of failure at the start of the scandal process to a feeling of being strengthened by the end. A scandal equals failure. Working in a municipal government means having the citizens' confidence. Public officials are in a position of trust, and the interviewees are very clear in their responses about the assignment they have received, accepted and ordered the municipal administration to perform. The interviewees in the study are in executive positions and are responsible for the municipality. Consequently, a failure reflects back on them even if they are not directly involved in the scandal. They may not necessarily have failed personally, but when the surrounding world reacts as it does, everyone in the municipal government comes under accusation.

Municipal scandals also reflect badly on other municipalities that are not involved in the scandal. According to the interviewees in all four municipalities, externally one thinks that if one municipality can commit misconduct, then so can others. A scandal also leads other municipalities' public to question, examine and condemn its own municipality, not as vehemently and accusingly as the perpetrating municipality, but enough to change the everyday situation. A scandal compromises the involved municipality's legitimacy, and also – albeit to a lesser extent – the legitimacy of other municipalities.

The experience of failure and condemnation generates the action-orientedness typical of a municipality in connection with a scandal. As time passes and the municipality reacts to the organizational environment's pressure, it feels an increasing urge to reinstate its legitimacy. This process is neither simple nor fast. The interviewees reported feeling misunderstood and scrutinised. The image of the organisation following the scandal is inaccurate and misconceived. Members of the organisation feels extremely frustrated over the difficulty in communicating the right picture and the unjustness of being condemned due to others' misconduct.

Constantly having to contend with a negative image and start by changing it is no ideal situation for any organisation. It is wearing when every step one takes is monitored with suspicion and one's actions are misunderstood. But it is clearly possible to learn to live with this, since the interviewees reported ultimately being strengthened by the process. It may have been a trial by fire, but it had a cleansing effect. After this tough trial, those involved can say with a clean conscience that they have been cleansed, they have changed what was wrong and have

come out stronger – more patient, better prepared and ready for anything.

#### Back to normality – the end of the scandal process

As said earlier, if the environment regards an organisation as legitimate, then it is. What determines legitimacy is, in principle, the environment's perception of the organisation; this far it is accurate to say that an organisation is legitimate when those outside the organisation perceive it to be. However, the organisation's members must also notice when this has happened: the organisation is legitimate when its members feel regarded as such. At this point, the goal of regaining legitimacy has been reached and the scandal is, thus, over.

### Conclusions

The aim of this article is to generate knowledge about the processes where legitimacy is lost (in a scandal) and restored. In this section I discuss conclusions that can be drawn from the studies reported in the article.

#### Meta-hypocrisy allows defensive offensive

Organizational hypocrisy makes it possible for organisations to function despite the conflicting demands from the environment. At the same time, it goes against society's values. We have notions about what we say and do being as we say and do. While this is clearly an ideal rather than reality, this does not make it less problematic if the hypocrisy is revealed.

Those wishing to restore legitimacy should agree with the environment. Avoiding the transgression of norms, errors and other causes of scandal is morally correct, and is one of the first lessons to learn from a scandal. The organisation must somehow satisfy all demands simultaneously and without conflicting answers in order to appear as normal as possible. But it is one thing to appear to be a morally upright, normal organisation, and another thing to actually be one.

Organisations deal with conflicting demands from the environment through decoupling and organizational hypocrisy, as written in the introduction. The problems during and after a scandal are that measures are required in response to the scandal, that the media are constantly scrutinising the organisation's statements and actions, and that the slightest deviation is noticed and immediately reported. Under these circumstances, the organisation's statements and actions are bound to be wrong in one way or another. The equation does not work. It is impossible to be normal all the time.

The solution used is to defensively accept that the municipal government needs to be changed according to the external demands, that the municipality government must be more opened up, more transparent, and that individuals with dubious morals should be removed from the organisation, while simultaneously taking proactive steps by learning to handle the media better, establishing scandal management routines, and ensuring that the right information reaches the right forum, i.e. the forum created by the management.

This is a form of meta-hypocrisy (Brunsson, 2003): by avoiding actions that others will probably disapprove of, meeting the environment's expectations and training staff to handle future scandals, the abnormal is accepted as normal. A situation is created where scandals are treated as possible and normal and the organisation is not as morally upright as it is claimed to be. The

organisation promises that a scandal will never happen again – while frantically taking precautions to handle the next scandal better.

#### Scandals are organizational phenomena

A characteristic of scandals is that they have actors. The actors in Swedish public sector scandals are usually one or several men. These men are linked to a transgression, and the organisation where they work is dragged into a scandal that is a long, demanding and undesirable process. The perpetrator of the scandal is often dismissed, but this is not enough; the organisation has to change further. The question is why, instead of blaming the individual and ascribing everything that happened to him and stating that the organisation is sound without him, the scandal is accepted as an organizational phenomenon?

Blaming individuals is a common tactic in connection with organizational failures. The trainer is blamed when a team loses, the CEO is dismissed when stock exchange rates fall or a product flops, and the editor-in-chief can be given all the blame for a newspaper's flagging sales. But this tactic is not possible in public sector organisations.

This has many possible explanations. One is that public sector organisations are different in that they are based on an ideal of collective responsibility, not least in the case of municipalities. The executives are public officials, and must proportionally represent citizens' interests. High-ranking officials are often politically appointed. Consequently, an official is more restricted than a CEO and does not have exclusive responsibility; others also take part in their actions. The interviewees corroborated this view by saying that it is no longer advisable to use the word scandal. If you do, you attract attention to yourself and are required to explain why you did nothing about it.

Another explanation is that the organisation indeed is to blame as immoral, and not the individual whose transgression started the scandal and that it, thus, not is enough to dismiss the individual without changing the organisation as a whole. Claes Gustafsson writes: "The moral problems in organizations and societies are less a question of immoral individuals, and more of the moral quality [and] climate in the social structure as a whole, not in the individual whose unethical action probably is produced by that structure" (1998). Regardless of which explanation that we choose, scandals are organizational phenomena.

#### Normal is legitimate

An organisation with such high basic legitimacy as a municipality is legitimate when everything runs normally; it is by functioning normally that a municipality earns its legitimacy. When a scandal occurs, the municipality breaks with normality and is no longer normal. It becomes marred by scandal, with all the related consequences. Because a municipality is a legitimate organisation, it regains legitimacy when it starts behaving like a normal municipality again.

When other types of organisations have restored their legitimacy is a question for other articles. It would be very surprising, however, if they are considered legitimate just by being normal. The narcotics syndicate from the introduction, to take an extreme example, can behave as normal as they want without gaining legitimacy. To be legitimate, a municipality must comply with external expectations of what a municipality should be when they are normal – scandal processes, paradoxically perhaps, clarifies what normality is and, thus, disciplines the in-

volved organisation to become its own panopticon (Foucault, 1974)

#### Scandals cannot be ignored, legitimacy is too important

A consequence that was not found in the study is ignoring the environment's pressure, continue as if nothing had happened and wait until the trouble blows over. One reason why this is not done is the importance of organizational legitimacy to the municipal concept. Performing common services is a municipality's very *raison d'être*. This rests on having citizens' trust. Scandals demonstrate how important this trust is. If it is threatened, the organisation's whole existence is threatened. A municipality with dubious morals has problems. So far, no Swedish municipality has been forced to liquidise its assets and close down, but this is a real threat when scandals arise. Ignoring this threat is too risky, even if it could work as a means of dealing with scandals.

#### Re-active rather than pro-active

Swedish municipalities are often portrayed as action-oriented organisations whose officials are proactive in their planning and administration (Jacobsson, 1989). This is an ideal picture with a long historic background, and has repeatedly proved to have little grounding in reality. Although few people believe in rational ideals and still fewer have seen rationality in practice, accounts of rational organisations are common (Brunsson, 2006). We want to be rational, make our own choices and feel we have the power to influence. Administrative rationality in a Taylorist sense is impossible, but if the surrounding world expects rationality, it is important to appear rational.

During a scandal, a municipality is not governed proactively, but through reactions. A municipality with reduced legitimacy does what it is told to do, frankly speaking, even if this is done reluctantly. This is what it is like to lack legitimacy. What teenager is not occasionally forced to conform, gritting their teeth and muttering about better times to come?

#### Implications

This article raises theoretical discussion, particularly on theory on organizational legitimacy, in two areas. The first area is the re-establishment of legitimacy. The reasoning behind how lost legitimacy is regained can be added to the existing terminology regarding legitimacy. A particularly interesting discussion is the question of when legitimacy can be said to be regained – i.e. that an organisation is legitimate when the people in it feel regarded as such.

The other area is scandals as a study subject. Transgressions attract attention, and we can learn a lot by studying transgressions. This study shows that studying scandals can be fruitful for those interested in organizational legitimacy and relations between individuals, organisations and organizational environments.

Finally, this article's title includes the public sector. The Swedish public sector has long been widely regarded as a model, not least by Swedes themselves. Today, most of the world has other models, but what about us Swedes? If the idea of a model sector still prevails, it is marred by scandals. The fact that scandals are permitted at all is a sign of democracy; not many dictatorships have scandals. But allowing the possibility of scandals does not mean that they have to happen.

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