

# Opportunism at a Swedish University

## The Story

The responsible manager of accounting at a university in Sweden found out that the professionals at the university were members of professional organizations and that the university paid their memberships. Through contacts with the tax authority he found out that such membership, paid by the university, would be considered as a benefit for the individual and therefore needed to be reported to the tax authority with the consequence that the individual had to pay tax on the membership fee. Before him, no-one had bothered about this report. He decided and made the management team accept the decision to report all payment to professional organizations concerning membership, with the consequence that each professional got a personal tax increase..

## The Manager's Argument

The old routine of not reporting to the tax office were against the Swedish tax authority regulations and therefore against the law. It is strange to consider it as a personal benefit because it is by consequence of the employment and offer no personal benefits for the professional. He keeps informed about the tax office and hope they will change their regulation.

The question is, is this an act of an organizational man or an opportunist?

## My Interpretation of Opportunism

It could be claimed that a university's goal is to produce and disseminate knowledge, constrained in its effort by professional standards, the norms of the society and the state legislation. The manager thought, correctly, that the routine of not reporting was against the regulation, and thus violated the principle of the university, to act within the limits of legislation.

However, that is the limitations and not the goals of the university. The goal is to develop knowledge. He and the management team did never reflect on the consequences of their decision, except for adhering to the limitations. If they were occupied by the interest to put forward the goals of the university they would have realized that one possible consequence of their decision would be that the professionals would not decide to spend their personal wealth on something that is considered to be a consequence of their university employment. They would therefore not become members of their professional associations. With the consequence that they would have been looked out from certain conferences organised by the associations, being outside the network, especially the information network of these association, and without the typical reduction of conference fees that tend to accompany such membership, with the result that the university will get higher costs for their professionals participation at the conferences. Thus, less participation, less information, higher costs. This would probably not increase the performance of those individuals; maybe even decrease their opportunities to perform the duty of an academic professional at the university.

They did not look for the consequences on the goal attainment of the organisation, but focused only on the legality. Either they are less clever, not realizing the consequence of their decisions on the performance of the university, or they were fulfilling their individual goals of working in an organization devoted to adhering to the legislation of the country. The first one is the consequence of bad management selection, the other one a consequence of bad cultural control where the organization accept to be subject to individual goals. In both situations it is a result of a bad management control system, not being able to direct managers to the goal of the organisation.

They had the opportunity to accept the tax regulation and to make the decision that every professional would get a wage increase corresponding to the tax increase the individual experienced due to the regulation.

I do not believe these people are less clever. I believe they are following their conviction and that they are badly trained to think about their actions in terms of university performance directed by the goals of the university. Thus, my interpretation is that their decision is an act of opportunism and that the costs are agency costs which can be reduced through a more advanced and more appropriate management control system.

The implication of my interpretation of this story is that the university is in a need of management training, focused on the goals of the university and the need for everyone to have the goals in front of him or her, whenever they are making decision. All this can be accomplished by the establishment of a management control system that is directed towards fulfilling the goals of the university.

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