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Veröffentlichungsversion / Published Version

Zeitschriftenartikel / journal article

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Empfohlene Zitierung / Suggested Citation:

Mayr, K., & Siri, J. (2011). Management as a symbolizing construction? Re-arranging the understanding of management. *Historical Social Research*, 36(1), 160-179. <https://doi.org/10.12759/hsr.36.2011.1.160-179>

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Management as a Symbolizing Construction? Re-Arranging the Understanding of Management

Katharina Mayr & Jasmin Siri *

Abstract: »*Management als Symbolkonstruktion? Eine neue Perspektive auf Management*«. In this article, we outline the concept of management as a symbolizing construction. According to Niklas LUHMANN, organizations process by referring to decisions. But decisions are not simply “given” and in principle invisible. This is the reason why organizations institute formalities like protocols, signatures or other insignia of the official that symbolize the decision – without actually being a decision. These symbols allow for making decisions “processable.” And just like a protocol or a signature, management symbolizes decisions as well. Management provides an organizational practice with symbols of decision making without being the “unity” of the decisions, as decisions perpetually have to be reconstructed, redefined and rearranged in the communication of all organizational units. Therefore management symbolizes on the one hand more than it can achieve. On the other hand the importance of management as a symbolizing construction lies in allowing the reconstruction, redefining and rearrangement of decisions by making them visible and recognizable. Heroic managers, meetings, management tools and procedures are solutions to the paradox of decision making. By symbolizing decidedness they create credibilities that conceal the self-referential construction of organizational communication and the paradox of its decision praxis.

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Acknowledgements: The concept of management as a symbolizing construction results from a close writing-collaboration with our colleague Dr. Victoria von Groddeck (Groddeck, Mayr & Siri, 2010). This paper benefits from her inspiring critique. We would also like to thank the two reviewers for their constructive and thoughtful commentaries in the review-process. Their suggestions helped us greatly to improve our argumentation. We also thank Dr. Irmhild Saake of the LMU Munich and the members of her Colloquium on New Systems Theory for inviting us to discuss our concept. Last but not least, we would like to express our gratefulness to Sean Larson and Aura Topan for the time they invested in proofreading our paper and their precise commentaries on our work.

Print Version of: Mayr, Katharina & Siri, Jasmin (2010). Management as a Symbolizing Construction? Re-Arranging the Understanding of Management [48 paragraphs]. *Forum Qualitative Sozialforschung / Forum: Qualitative Social Research*, 11(3), Art. 21, URL: <<http://nbn-resolving.de/urn:nbn:de:0114-fqs1003218>>.

Keywords: management; systems; functional analysis; symbol; symbolizing construction; Luhmann; symbolism; organization.

1. Introduction

To a large extent the idea of management is connected to questions of strategic decision making in organizations. Most management concepts presuppose organizational hierarchies and focus on goals like change and innovation. Although the value of “decision” as a theoretical term is broadly questioned in the discourse of organization research (CHIA, 1994) decisions nevertheless seem to be important for the self-description of organizations and organizational actors that are used to conceiving themselves as decision makers. Descriptions of acting, deciding individuals appear to stand in contrast with the cybernetic thinking of organizations theorized by Niklas LUHMANN (2000). Such a theoretical construction promotes a picture of self-perpetuating events and seems to have no place for actors, subjects or individuals. At first these two perspectives seem to be mutually exclusive and it is not essentially perceivable how they can be related in a fruitful way.

At first glance, the conception of organizations as autopoietic, self-referential and operationally closed references of meaning may appear as a kind of post-modern game, offering nothing but arbitrariness. By contrast, we want to argue that Niklas LUHMANN’s theoretical work has much to offer. It brings forward extensive consequences for the consideration of concepts like hierarchy, decision or management. What Niklas LUHMANN’s concept of in-time-processing systems (1980) provides is – in our opinion – furthermore an *empirical* access to the organizational praxis. In conclusion we will argue that not only the normative idea but also the practical forms of “doing management” should be given more attention.

In the following, we discuss what happens to strong semantically loaded concepts like management, hierarchy, rationality and decision, if sociological observers engage a theoretical perspective that follows the idea of communication as the fundamental operation of social systems (cf. LUHMANN, 1987; NASSEHI, 2006). What does management mean if one approaches the empirical field with a social systems perspective? From a functionalist perspective, we may ask: What are the problem solving potentials of management for modern organizations? We propose to conceive management as a symbolizing construction, which aims to conceal the paradox of decision making as a contingency revealing act and which furthermore supports the organizations with visible, referable decisions that create a kind of unquestioned decidedness. This facilitates the recursive enchainment of organizational events.

To elucidate our argument and our theoretical position, we will take a step back and first outline the most important aspects of Niklas LUHMANN’s work on organizations and the implications of this research strategy (1974). Next we

will focus on how management can be considered from such a perspective. Which problem solving potentials does management generate for the organization? In order to answer this, we will take a functional-analytical look at the meaning of semantics of management, as well as at management-theories such as the self-description of management. The next section then presents our approach to analyzing management by framing it as a *symbolizing construction* in the organization. Therefore we will not focus exceedingly on the explanation of our methodological research decisions and strategies of data interpretation. This article promotes a viewpoint based on our qualitative research, and the interpretation we will present in section 4 derives from our empirical studies on organizational communication.

2. Observing the Organization with the Theory of Social Systems

Current systems theoretic research on organizations is based on the work of Niklas LUHMANN. Organizations have been in the focus of Niklas LUHMANN's interest from the very beginning of his sociological work. Niklas LUHMANN shows that organizations do not consist of actors or actions, but of communication. The communication in organizations assumes the form of decisions referring to decisions. Thus, every communication in an organization can be observed as a decision. Niklas LUHMANN's attention to organizational issues may stem from the fact that he himself started his scientific work outside of a campus-environment. After his studies in administrative sciences, he worked in leading positions for administrations before starting his career at the university. It is fitting to assume that this personal path has contributed to his perspective on organizations, a perspective that has always been geared toward very empirical, even practical problems and questions. For example, he observes that organizations provide us with a kind of never-questioned normality that is highly unlikely and fragile at second glance. Niklas LUHMANN's early work on organizations shows the endeavor to identify *structures*, enabling a stable every-day practice (1962, 1964). In his later work his theoretic focus turns from the structure to the *processing* of organizations as social systems (2000).

Today there is a wide range of research in systems theory. Over the last decade, an increasing number of works combining thoughts from systems theory and qualitative research have been conducted. For instance cf. approaches that work with sequential analysis (SCHNEIDER, 2000; VOGD, 2007), form analysis (cf. BAECKER, 2003; ÅKERSTRØM ANDERSEN, 2003), discourse analysis (ÅKERSTRØM ANDERSEN & BORN, 2008) or semantics analysis (cf. STÄHELI, 2007).

Although all these authors refer to Niklas LUHMANN, a unity of the theory of social systems cannot be assumed. Therefore we need to point out that we

provide only a limited illustration that is primarily driven by our empirical interest for social settings as qualitative researchers. We are proposing a radicalized reading of LUHMANN's theory that combines his own work with further developments of authors like Armin NASSEHI (2006), Armin NASSEHI and Irmhild SAAKE (2002), Niels ÅKERSTRØM ANDERSEN (2003) or Dirk BAECKER (2003). These authors are not only interested in theoretical developments, but also offer analytical strategies on how to observe social settings. Werner VOGD argues that systems-theoretical studies often lack a specification of their research strategies and methodological approaches (2007, p.297). Therefore it is important to take active part in the discourses of qualitative research.

2.1 Implications

What are the implications of working with LUHMANN's theory? In our own studies on expertise (cf. MAYR, 2007) and political organization (cf. GRODDECK & SIRI, 2010) we are working with different materials such as interviews (narrative, biographical, expert), documents (content analysis, discourse analysis, semantics analysis) and participant observation. We prefer a basal *interpretation of functional analysis*, which we will describe below. Working with functional analysis, from our point of view, leads to a preference of method mixing. From a constructivist point of view, the distinction between empirical and theoretical research is obsolete: there is no empirical research strategy without a theoretical presumption. For Niklas LUHMANN, every methodological decision is a theoretical decision, and vice versa (1974). Accordingly, we argue that there is not one superior method or methodology which fits every systems-theoretical research-interest. *Empirical research and theoretical embedding of interpretations derive from one another.*

Niklas LUHMANN himself refuses to define a strict methodology apart from his social theory – instead, he emphasizes the artificiality of this distinction (1987) – nonetheless, one can extract two basic principles that derive from his theoretical works: *First*, he states that the theory of social systems observes not actors, not even systems *per se*, but communications and follow-up-communications. Communication is characterized as the synthesis of information, message and understanding where understanding only means that information and message are separated in the communicational practice, and a follow-up takes place (pp.193f.). The idea of observing communications (not action, not actors, not meaning) results in a sociological observation which sets aside ontological prerequisites about the social or about human beings. As a consequence, the interpretation of e.g. an interview is not led by an interest to find out about the real motives of a person – or the effectiveness of organizations. Moreover, observing communications presumes an interest in how com-

munication itself (not actors or subjects) tends to reduce the contingency with which every social situation is equipped.

The second implication of Niklas LUHMANN's theory is the operativity and temporality of social systems. From our point of view, this is the most fruitful implication in analyzing the modern organization. “The boundary of the system is nothing but the type and concretion of its operations which individualize the system.’ (...) This operative understanding requires the insight that systems are unable to transcend their own boundaries” (BECHMANN & STEHR, 2002, p.70). Operations (all operations of communications) take place in the present.

The events comprising conscious systems are thoughts (or perceptions), and those constituting social systems are communications. Both are very short events. They occur and then they pass. There is no time for them to regard what they really are, no time to register their own identity. A thought appears – and is incapable of observing itself. A communication appears – and is incapable of observing itself (FUCHS, 2002).

Communications happen in real-time and therefore disappear while they are executed. “That is why one cannot rely on the past, nor on the future and neither on the present” (NASSEHI, 2003, p.73; our translation). There has been an increase over the past years in the attention for the temporality of social systems in the theoretical discussion (cf. NASSEHI, 2006; STÄHELI, 2007; ÅKERSTRØM ANDERSEN & BORN, 2008). The authors describe discontinuities and fractures in societal processes (STÄHELI, 2007) or the polycontextuality of modern organization (ÅKERSTRØM ANDERSEN & BORN, 2008) and refer in a radical way to the empirical experience of the simultaneity of operative practices (NASSEHI, 2006).

To us, being interested in the empirical research of organization, this evolution in the theory itself is helpful because it sharpens the view on the complexity of the modern organization. Social systems are real-time-systems, and this underlines Niklas LUHMANN's dictum that social structures are not determined and that everything could be different (contingency). This is also why modern society does not allow for a primary functional system or a superior observance by sociological theories to arise. Armin NASSEHI (2003, 2006) emphasizes the radical temporality of social systems and defines the modern society as a society of presents [*Gesellschaft der Gegenwarten*]. With this accentuation of the radical temporality of social systems, new layers of interpretation emerge. This perspective allows for the observation of seemingly conflicting organizational presents, without trying to “harmonize” them in the interpretation. For example, during an interview, narrations which diagnose problems or crisis must not be interpreted ontologically in the sense that there “really is” an organizational crisis. A multiplied present forms the text or social setting we are interpreting – and that is why crisis and variance in descriptions are not necessarily a problem, instead appear plausible in narrations which deal

with modern organizations. The diagnosis of crisis or critique can be functional and stabilizing in a practical context (for a more detailed interpretation compare GRODDECK & SIRI, 2010). It is crucial to acknowledge that members in organizations are not stable identities in time. They are doing whatever they are doing in a certain present, whose structures allow for certain follow-up-communications and at the same time prevent others.

3. Observing Management

We have tried above to give an account of the basic theoretical principles that impact our research-strategy. In the following, we will use this strategy by analyzing the understanding of management with functional analysis.

The understanding of management incidentally implicates a kind of top-down logic. First, there seems to be a clear-cut distinction between “management” and the remaining organization that has to be managed. Such a notion of management depicts a steering instance on top of all processes. This asymmetry, presuming people who decide and people who are decided upon within organizations, was one of the societal problems accused by a politically Marxist movement. Nowadays, hierarchic relations still (or once again) do not have a good reputation for several reasons. In restructuring processes, “flat hierarchies” are implemented, but even “lean management” is based on the notion that the organization has to be organized. *So the management seems to be the concentrated form of the idea of the organization itself, where decisions are made, where the future is shaped.*

This common idea of management is in conflict with a concept of organizations like the one developed by Niklas LUHMANN (cf. NASSEHI, 2005). In his theory of social systems, organizations, like other social systems are based on communication and they persist by continually processing their elemental operations. For organizations, this means that they emerge and continue by processing decisions, and everything happening in organizations can be marked as a decision or as a result of decisions. This is true for such constructs as membership, positions, hierarchy or goals, which usually were applied to describe organizations. Describing organizations as places where decisions are made would be nothing particularly groundbreaking, but we are aiming at something different here. What is crucial to the theoretical position is not that decisions are made in organizations but that everything happening in organizations occurs in the *horizon* of decisions that themselves refer to other decisions, with no way out. On an empirical basis Niklas LUHMANN conceptualizes social systems as operationally closed systems, which means that they cannot leave their *modus operandi*. Organizations cannot decide to stop deciding – the sentence itself shows the paradox. In this sense, organizations are self-referring and self-steering. Steering is used here not in the sense of steering by decisions from the top of the organization but by following an inner logic. This presup-

poses another notion of decision making and management in organization. Leaving the idea of steering or controlling choices behind raises the question of the *function of management* in the organization (LUHMANN, 1990): *consequently we want to promote decision making not as a rational, active steering choice but as a communicative construction, and management as a symbolizing construction that enables reference to decisions in an organizational praxis.* We will return to this aspect later (see Section 4). The question of the function of management leads to Niklas LUHMANN's functional analysis, which will be illustrated in the following.

3.1 Re-Arranging the Observation of Management with Functional Analysis

Functional analysis asks which benefit a communication provides concerning a problem of reference [*Bezugsproblem*]. In this case: What problem solving potentials does management hold for the organization? What are the problems management is dealing with in a modern society? *Problem* and problem solving [*Problemlösung*] are not causally determined, but *functionally*. Therefore, searching for functions of communications in empirical data does not mean relating a cause to an impact, but discovering functional equivalences of several possible causes to several possible impacts referring to a problem the communication seeks to solve (LUHMANN, 1974, p.14). Consequently, if one utilizes Niklas LUHMANN's functional analysis, significant paradigm shifts are evolving with regard to empirical research. The functional analyst asks: *What problems does this communication (cf. a text) solve? What kind of present (considering its multiplicity) (cf. NASSEHI, 2006) is actualized in the narration? Which semantics or self-descriptions appear? What are the narrations we know through other organizational communications (documents, media etc.)?* In the following we aim to specify and sort the results of observing organizations with the illustrated set of tools, before we continue to unfold the analysis of management as a symbolizing construction.

Niklas LUHMANN shifts the scientific perspective from observing actors and their actions to observing communications and their follow-ups. This idea is radically non-ontological and substitutes the concept of the subject with an interest for distinction and the processing of structures. Communication, not action or meaning, is the genuine societal operation and the foundation of the evolution of social systems like interaction, organization and function-systems [*Funktionssysteme*] such as politics, religion or education.

This, according to Luhmann, requires a radical rejection of epistemological positions based on the dichotomy of the subject-object-paradigm. (...) The (...) transfer of the subject/object differentiation into the distinction between system and environment takes Luhmann to a post-ontological theory of society, developed on a naturalistic and empirical basis as a theory of observation (BECHMANN & STEHR, 2002, p.69).

What does this imply for empirical research? The most radical constructivist perspective surely would not claim that persons, “subjects” do not exist. But it would add that the subjectivity of the person, the inner self, their consciousness, is not observable by the researcher. What is observable is the communication that refers to the construction of subjectivity or authenticity of a person in a social situation. Our empirical research shows that our interview-partners work hard on the construction of their self-descriptions as an identity that is communicable to others (cf. GRODDECK & SIRI, 2010). A systems-theoretical perspective can describe and understand the efforts individuals are undertaking to equip themselves with a coherent and stable identity. The “non-humanist” approach of Niklas LUHMANN’s theory tends to irritate sociologists who are interested in heightening the appreciation of subjects or, for instance, to defend them from the negative results of social differentiation. A solution for dealing with this inner-scientific problem is to investigate *empirically* how persons in social communication are seldom addressed as the entity (identity) of their social roles (father/mother, employee, lover), even in therapeutic settings.

Our empirical studies show how organizations treat the individual as addressee in a way that corresponds to the specific, system-immanent-logics of this organization. This insight, of course, is no unique feature of systems theoretic research. It is consistent e.g. with the works of Michel FOUCAULT on the process of subjectivation (cf. FOUCAULT, 1977; BÜHRMANN, 2006), or with Pierre BOURDIEU’s research on habitus (1984).

Therefore empirical research within an organization only exhibits subjects if we *want* to see them. The production of subjectivity is a laborious process, for example if managers are dealing with conflicts between personal beliefs and professional requirements because of restructuring and redundancy in their companies. In the end, it is not the “subjects” who decide – but employees who need to describe themselves as decision makers and simultaneously try to balance a coherent self-description or identity.

We have discussed the consequences that emerge if one does not observe action and causalities, but rather the processing of communication and a multiplied present. As sociologists we observe not the “entity” of the organization but different references, such as reference to media, references to the organization etc. Those references do not emerge out of nowhere. They are inspired by semantics. Observing the organization, therefore, demands an understanding of social-historical concepts (semantics) like rationality, causality or hierarchy. Economics and management studies both apply those concepts on a regular basis.

3.2 Management, Semantics and Function

Niklas LUHMANN's theory transcends most of the ideas and basic principles of what he calls "old European traditions."

The paradox, according to Niklas Luhmann, is that the old European tradition emerged in a society that no longer exists today either in terms of communication or in terms of forms of differentiation. Even so, this tradition remains part and parcel of our historical heritage, and in this sense a part of the culture that is relevant for orientation. (BECHMANN & STEHR, 2002, p.70)

Niklas LUHMANN therefore introduces the idea of semantics. Semantics are strong and historically stable schemes of ideas and their illustration in the explanation of societal questions.

Semantics are defined as special structures which connect communication with communication by providing different forms of meaning, which the system of communication treats as worthy of preservation (...) Semantics are the reserve of generalized forms of differences (...) which can be used in the selection of meaning (...) (ÅKERSTRØM ANDERSEN, 2005, p.144).

Niklas LUHMANN's analysis of semantics in some aspects corresponds to Michel FOUCAULT's discourse analysis. Analysis of semantics is therefore the analytical strategy of observing the historical conditions of the constructions of meaning that emerge in social situations.

The relation between semantics and the form of differentiation is that the semantic development always follows society's form of differentiation (...). Concerning the strategy of analysis, this means that the emergence of a new form of differentiation is first seen in a semantic rupture (ÅKERSTRØM ANDERSEN, 2005, p.145).

Interpreting semantics and their usage offers a relatively independent perspective for empirical research and impartiality. It also allows for carefulness in the interpretation, since it avoids cynicism in the sense of exposing the members of organizations as naïve or dishonest if they refer to such semantics in their self-descriptions. What else should they do?

When we deal with management, the most important semantic is the semantic of rationality. *By using functional analysis and historicizing rationality as a semantic, management research can point out both the historical relevance of this concept – without taking it as a premise for its own research – and its empirical usage in self-descriptions and theories of self-description.* This also applies to semantics of education or psychology which are prominently used in settings like personal development, employee motivation and consulting. It even applies to the semantic of love, which made its way even into working settings (ÅKERSTRØM ANDERSEN & BORN, 2008).

Management as an academic subject and a theoretic concept is a relatively young one. The economists of the 18th and 19th century like Adam SMITH (1989/1776), John Stuart MILL (1899/1844) and Karl MARX (1971/1859) had no notion of management as they analyzed economy based on supra-individual

legalities. Charles FOURIER (1980) and Henri de SAINT-SIMON (1821), more focused on organizations, reveal management as a social concern. Jean-Baptiste SAY (2001/1803) forms the concept of the “entrepreneur” and places the figure of the manager and his productive function at the center of the economy. Management becomes important when individual behavior seems to be a vital resource for economic success. From a general economic perspective success means productivity and creation of wealth. From a perspective of business administration success means the survival in a complex and competitive environment.

However, the notion of management appears very shallow in most cases. Geoffrey VICKERS (1967) describes management as planning and controlling by means of the deviation of target and performance. Accordingly, Dirk BAECKER wants to specify the form of management and defines it as the reference of the company to economy in the way that it makes a difference (2003, 2006). For Dirk BAECKER the notion of management is closely connected to economic concerns. He argues that management usually brings in a kind of economic calculus into the organization. But on the other hand management also consists in the right dosage, of knowing how much economics the organizational praxis can stand. Our understanding of management is closer bound to the practice of organizations in general, that of course have to deal very often with economic concerns. An economic perspective also offers a way of calculation that is functional for management issues, as we will argue later in the following. The target-performance-comparison itself indeed already hides the fact that targets have to be set. Almost as a side note, BAECKER mentions that part of management operations is the setting of goals, which is related to questions of deciding.

3.2.1 Management and Decision Making

Decision making is (explicitly or implicitly) widely regarded as a central concept in management and organization theory. Nevertheless, the concept of decision is used in a quite heterogeneous way, and there is no consensus about the added value of perceiving organizational perpetuation as decision based:

There has been much debate over the years about the possibilities and practices of ‘effective’ decision making, the import of decision making for other aspects of organizational functioning, the links with power in organizational settings, and even whether the concept of ‘decision’ has any utility (MILLER & WILSON, 2006, p.469).

In fact, decision making is still a key issue to describe managerial action. In “The New Science of Management Decision,” SIMON (1960) even treats the decision making process as identical with the task of managing itself.

Traditionally in management and organization theory, decision making is interpreted as “intentional, consequential and optimizing” (MARCH, 1988, p.1). Beginning with Chester BARNARD (1938, 1948), and departing from the

principles of Frederik W. TAYLOR's (2006/1911) scientific management, decisions have been associated with issues like choice, rationality and intentionality. Of course, these assumptions have been questioned repeatedly in the later discourse of decision theory. MARCH and SIMON (1958) argued that decision making processes in organizations aimed in "satisficing" rather than in maximizing choices due to the complexity of the organization and the lack of information about the future. Rationality was only reachable in terms of "bounded rationality" (MARCH 1978), but *rationality* still remained the horizon of the analysis of organizational, and therefore managerial decisions. In Charles E. LINDBLOM's approach, the process of decision making as "muddling through" (1959) portrayed the stream of organizational decisions as small adjustments instead of final choices being arrived at after a full rational process of search and evaluation was completed. The notions of bounded rationality and process rationality were further elaborated in Michael COHEN, James MARCH and Johan OLSON's "garbage can model of organizational choice" (1972). This model questions assumed preconditions of decisions like intentionality and the causality of choices and outcomes. It portrays the organizational practice as a flow of events in which actions, decisions and outcomes are only "loosely coupled" (WEICK, 1976). In a similar way, Nils BRUNSSON contests the strong association of decision and action:

In traditional decision theory, a decision is taken to be indicative of a corresponding action that will occur in the future, or at least the decision is assumed to increase the probability of such an action. In practice there are not always strong connections among talk, decision, and actions: People talk, decide, and act on separate occasions and in different contexts (...) It is possible to act without making a decision or talking about it, and it is possible to talk and decide without actually acting on it. So there is reason to suspect that there will often be discrepancies among what is said, what is decided, and what is done (2003, p.202).

Such models, showing the limitations of decision making, and questioning the assumptions of choice, intentionality and rationality, are challenging to a management theory which is used to reflect managerial constellations or processes on this basis and which is moreover confronted with actors that conceive themselves as decision makers.

Though there were tendencies to shift the theoretical focus away from decisions to other concepts such as "change" (PETTIGREW, 1990) or "action" (MINTZBERG & WATERS, 1985), the empirical interest in decision processes remains dominant. Different typologies are elaborated as a result of research, where decision processes are categorized as simple impasse, political design, basic search, modified search, basic design, blocked design and dynamic design processes (MINTZBERG, RAISINGHANI & THEORET, 1976), or as sporadic, fluid or constricted (HICKSON, BUTLER & WILSON, 2001). Notwithstanding the fact that the rationality of decision making has been somehow exposed as a kind of myth, the need to remember that managerial

decisions very seldom follow a rational calculus still seems to persist (MINTZBERG & WESTLEY, 2001). Moreover, business studies still focus on decisions as a steering tool. “Corporate foresight” as a particular field of investigation deals with suitable methods for strategic decision making (CO-STANZO & MACKAY, 2009). On the one hand there is a strong tendency to deconstruct the concept of decision around its preconditions and expectations. Robert CHIA declares decision making as an explanatory principle “created by decision theorists and researchers to help them make sense by providing plausible connections between different aspects of observed behaviour” (CHIA, 1994, p.794) which reveals therefore more about the logic of organization theory than about empirical processes itself. As a consequence, he asks for the ontological character of the decisional act. But what cannot be denied is that business studies seem to be a reflection of managerial acting and require the notion of decision.

3.2.2 *The Heroic Manager as a Symbol*

The insights into the limits of decisions making, the impossibility of determining acting by decisions and the ambiguity of making choices have led to a modified picture of managers and managerial acting. Management seems to have lost a bit of its aura, and an overestimating perspective on management comes under criticism. Henry MINTZBERG (2004) emphasizes that the idea of change coming from the top is a fallacy stemming from the cult of heroic management. Heroic management or leadership refers to concepts of leadership that center on the person of the manager, his/her characteristics, behavior and charisma. Heroic managers are thought to be creative and strategic. This perspective on management is treated as an ideology that has to be overcome in order to provide a better way of managing. Charles HANDY (1991), management philosopher, coined the term “post-heroic management” as a form of organizing that breaks with the usual illusion of control. In connection with Charles HANDY, Dirk BAECKER (1994) describes a way of managing organizations that dismisses grand gestures. Such descriptions turn against traditional forms of self-descriptions, but also reproduce them in a certain way by creating a new type of managerial hero that has no need for grand gestures.

At this point, a turn to Niklas LUHMANN’s functional analysis helps to gain another perspective on managerial self-descriptions. Niklas LUHMANN neither believes in those self-descriptions nor does he reject them. Essential for him is how they are functional, *meaning in what way they are a solution to a problem the organization has to cope with*. As already pointed out, for Niklas LUHMANN organizations consist of decisions, which does not imply that organizations are the result of decisions. Organizations are able to stabilize highly unlikely behavior by the enchainment of recursive decisional events. So decisions are needed for the perpetuation of the organization, as presuppositions for further decisions. The problems appearing in the observation of deci-

sion theories are a first hint to a possible referral problem of management. Decisions have to be marked and thereby made visible in the ongoing, not persisting flow of organizational events. Hence, analyzing organizations is less a question of the ontology of the organization than of a practice of decision making, which makes ex post decisions work as such. Decisions become visible in the practice of referring to them. For enabling that kind of reference, organizations have to cope with their self-made form of decision practice.

According to Niklas LUHMANN, there are two basic techniques that supply the organizational decision practice with a form of visibility. First, the construction of a decision maker as an accountable addressee (2000, p.147); and second, the staging of decision processes in documents, routines etc. (p.149). Both techniques are central to what is regarded as key performances of management. The construction of decision makers as addressees means that in organizations the connectivity of communication is enabled by the personalization of decisions. Persons as addressees of communications serve as a kind of anchor in the fluidity of the organizational events. Visible bodies facilitating the presumption of stable identities help make decisions referable over time. Regarding the necessity of supplying decisions with accountable addressees, the semantic of the heroic manager can be seen from another perspective. Organizations produce actors that are getting used to describing themselves as decision makers. The kind of habitus which is formed and performed is that of the deciding actor, who is accountable for a decision history. Personalization and the staging of decision processes are keys to the organizational practice of supplying themselves with visible decisions. The more complex organizations are, the more they need stages for the construction of decisions. From this point of view the fast-growing meeting-culture can be seen as an effect of this imperative. Meetings are organizational places that give the chance to perform decision making. In this sense, meetings seem to be functional, though the meeting practice is also criticized by organization research. Annegret BOLTE and Judith NEUMER (2008) identify different aspects of meetings that are obstructive to efficient decision making, and they pledge for more informal, silent forms of decision making. Such a perspective reproduces first and foremost the organizational semantic of efficacy. From a functional point of view the importance of the meeting lies in the possibility of giving accountable decision makers a stage to perform.

So decisions need to be supplied with visibility to create decidedness, which in turn provides references for further decision making. *But at the same time the paradox of decision making has to be made invisible.* This requires further explanation. Based on decisions, the organizational practice has to deal with the paradox of decisions. Niklas LUHMANN describes as the fundamental paradox of the decision the fact that every decision always carries its own uncertainty. This is evident in the fact that the decision could always have been made in another way. According to Heinz VON FOERSTER decisions can

only be made regarding the undecidable, in the sense that you cannot really know what the better alternative is, because otherwise you would not have to *decide at all*: “Only those questions that are in principle undecidable, we can decide” (1992, p.14). So decision making always has to deal with its own impossibility that needs to be concealed in order to enable stable references. Here we can come back to the heroic manager. The insecurity of decision making is hidden by the (heroic) inwardness of a person. Exorbitant high salaries and an astonishing belief in their own “infallibility” may be criticizable, but they are also part of a mystification of managers that is in a way functional for the concealing of the unstable and paradoxical character of decision making.

The founding father of German management studies [*Betriebswirtschaftslehre*], Erich GUTENBERG, does not conceptualize leadership as a matter of decisions, but as a matter of planning and controlling (1990), in the sense employed by Frederik W. TAYLOR (2006/1911). For him, there is only one point where a decision is made; the decision about the objective of the enterprise which is made on the basis of an entrepreneurial instinct and shall be realized by planning and controlling. Externalized from the level of leadership, the decision gets a status of decidedness and is unlikely to be questioned any more. And this is exactly the way that many management principles or tools work in practice. E.g. “management by objectives” supplies the praxis with referable visible decisions that work due to their decidedness. After the objectives are set, they are not questioned any more as a result of decision making, but provide a firm basis for further considerations. In a similar way, mathematical methods from business decision theory simulate decision problems not in order to produce rules for decision making, but decidedness and uniqueness. The result of the calculation suggests the one viable way and therefore makes decision making superfluous. Decision making is simply calculated away, hiding the fact that the presuppositions for the calculations already needed decision making. Such management tools or procedures are implemented to improve management, to improve decision making towards more efficiency. In a certain way this is also a kind of improvement from a *functional* perspective, forasmuch as these procedures are a *functional equivalent* to personalization practices and make the organization less dependent on heroic managers. So management has to accomplish both the following: to make and keep decisions visible as referable events and to hide the insecurity of decision making.

Instead of criticizing an overestimating appraisal of management, functional analysis leads to another understanding of management related to communication. Heroic managers, meetings, management tools and procedures are – regarding the problem of the paradox of decision making – solutions that help to stabilize the self-referring decision practice of organizations.

4. Conclusion: Management as a Symbolizing Construction

The use of the perspective of processing systems in qualitative research generates a kind of paradigm shift that casts a different light on organizational questions, in a way transforming the usual answers into empirical questions. The organization as a whole cannot be steered by management-decisions, and this theoretical insight raises a question: what is the function of management in a self-steering system? (LUHMANN, 1990) Being critical, one could argue that management is overrated altogether. But a constructivist perspective cannot be content with such an explanation. According to functional analysis, the empirical success of management refers to its functional problem solving potential. Here management seems to be necessary and important, though not in terms of regulation, but rather *as a solution to the paradox of decision and to the necessity of symbolizing decisions that enable the recursive catenation of decisions, so that the organization emerges as a social system.*

Decisions are not identities but in-time constructions which have to be reactivated in organizational presents. Organizations process by referring to decisions, but decisions are not simply “given.” This is the reason why organizations establish formalities like protocols, signatures or other insignia of the official that symbolize the decision without actually being it. In this sense, management provides an organizational practice with symbols of decisions without being the “unity” of the decisions, as decisions perpetually have to be reconstructed, redefined and rearranged in the communication of all organizational units. Therefore management symbolizes on the one hand more than it can achieve. On the other hand it shows the importance of management as a symbolizing construction in *allowing* the reconstruction, redefining and rearrangement of decisions by making them visible and identifiable. For example, management symbolizes persons as addressees that can still be addressed the next day as representatives of decisions.

Why are we talking about management as a symbolizing construction? First, decision making in the context of management is a social construct. By this we do not mean to refer to management as something artificial in contrast to some idea of naturalness. But “doing management” means the construction of decisions and decidable settings that are not simply given. The function of management is therefore to *produce* certainties that empower the organization to continue its operations. Management creates credibilities that conceal the self-referential construction of organizational communication and the paradox of its decision praxis. This is achieved by *symbolizing* decidedness. We do not refer to the term “symbolic” as virtual or not real. Symbols represent a non-material reality, something beyond themselves. In a similar way, managers and management tools represent a kind of organizational decidedness and controllability that lie beyond their capabilities.

The performance of management makes sure that decisions work as decisions, as well as the start for further decisions. From a functional perspective, the question whether the organization can be steered as a whole by the management seems to be a subordinated one. Due to a theoretical tradition which ascribes social change to the capability of actors, Niklas LUHmann strongly promotes cybernetic thinking that leaves little possibilities of ascription to individual action. The manager rather seems to be steered by the autopoietic organization. The description of the organization as a self-steering system may be misleading in one point: the notion of systems does not imply that these autopoietic, self-referential contexts operate without the performance of actors. The importance of the “manager” for an organizational processing may be the potential to symbolize decisions in a complex world that offers only self-made securities.

Nothing in society seems to be as stable, and in a way as resistant to change as organizations. This is reflected in the negative sense by bureaucracy. From this point of view it is not surprising that the major challenges for the management of organizations is seen in change and innovation. But stability has to be explained from a point of view that is concerned with the *conditions* which allow for the building and continuing of a recursive chain of communications over time. Management-related communication seems to allow stable references to decisions that are visible and able to be remembered.

We came to the conclusion that it is not easy to define what management actually is. Additionally, management is not only referred to in the economic system: Niels ÅKERSTRØM ANDERSEN (2010) e.g. describes and criticizes the “new public management” in the Danish health- and social care-system. He shows how citizens are encouraged by a state, whose actions are rather paradoxical, to manage themselves towards a healthier lifestyle: this state reigns over the citizens by implementing self-optimizing communications into their daily lives. Another example of managerial semantics is the flood of books and tips on time-management for students and scientific staff at universities. Of course, one may ask: what is not management? What if someone in an organization does something which we usually would refer to as management – but gives it another name? What about the use of motivation techniques on the members of political parties? What about the organizing of a union strike? What about human resources planning in scientific settings?

In terms of the self-description of organizations, the fuzziness of the concept of management may be more a solution than a problem. *Its symbolizing character is even promoted by the ambiguity around what management actually is. The description of management as a controlling function is highly plausible, but also opens up a wide range of possible kinds of management.* Thus can be described the management of firms, but also self-management in terms of personal conduct of life. What we described here as management is closely connected to organizations as social systems. In this sense management can have

different forms, and facilitates the recursive enchainment of decisions that produces an organizational context.

To its critics, the theory of social systems is self-sufficient and non-empirical. And even if there are scattered theorists who “dirty their hands” in the researching field, often their findings just seem to prove what was theoretically already known before. Or the other case: results are produced that could also have been formulated without such a complex theoretical construction. Of course a system theoretic focus is not the only one capable of offering interesting, surprising insights. According to LUHMANN, choosing one or another approach must be justified by “academic craftsmanship” (BECKER & SEIDL, 2007, p.944).

We wanted to show how a functional reformulation of management as an object of research is fitting to enable a different perspective on management problems. The starting point is that management is treated as an empirically produced solution which raises the question of which specific problem it might solve. To answer this question, the theoretical idea of temporality and operativity of social systems (e.g. organizations), where events cannot be conserved but have to be actualized and re-actualized from one moment to the next, provides an important frame. From this point of view, organizations do not appear to be stable units but processing events that have to be continuously re-stabilized. Turning away from Talcott PARSONS, social change has been declared to be the central category of sociological observation. But here the question seems to be how organizations can continue their own proceeding in a way that creates order without too much change – which must be challenging in a context where decisions have to be made again and again. The personalized manager and management tools provide the organizational chain of events with decisions, with decidedness that hides the fragile, self-supporting character of the organization. As a theoretical description, the construction of social systems as in-time-processing enchainmed events cannot be the final result, but the starting point for empirical research, dealing with questions that may highlight how order can emerge, and high-grade unlikely forms can be stabilized and re-actualized as structures.

Often, system theory is accused of producing arbitrariness and being useless in “real life.” Based on his own consulting experience, even Niklas LUHMANN was skeptical as to what extent a systems-theoretic description could produce more than irritation or astonishment in a possible context of its application. In fact, such a theoretic perspective produces descriptions that are often far away from usual forms. But if an unmasking fashion is passed on and if the description not only informs about impossibilities but also about possibilities and potentials, especially in places where they might not be expected, they might become practically relevant. And the idea of management as a symbolizing construction could definitely help managers to revisit the understand-

ing of their own performance in the firm, as organizations are operating in an increasingly complex society.

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