



Organizational Sociology

Lectures 5 and 6

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Organizations as systems of decision

Society does NOT
consist of people.

Organizations as systems of decision

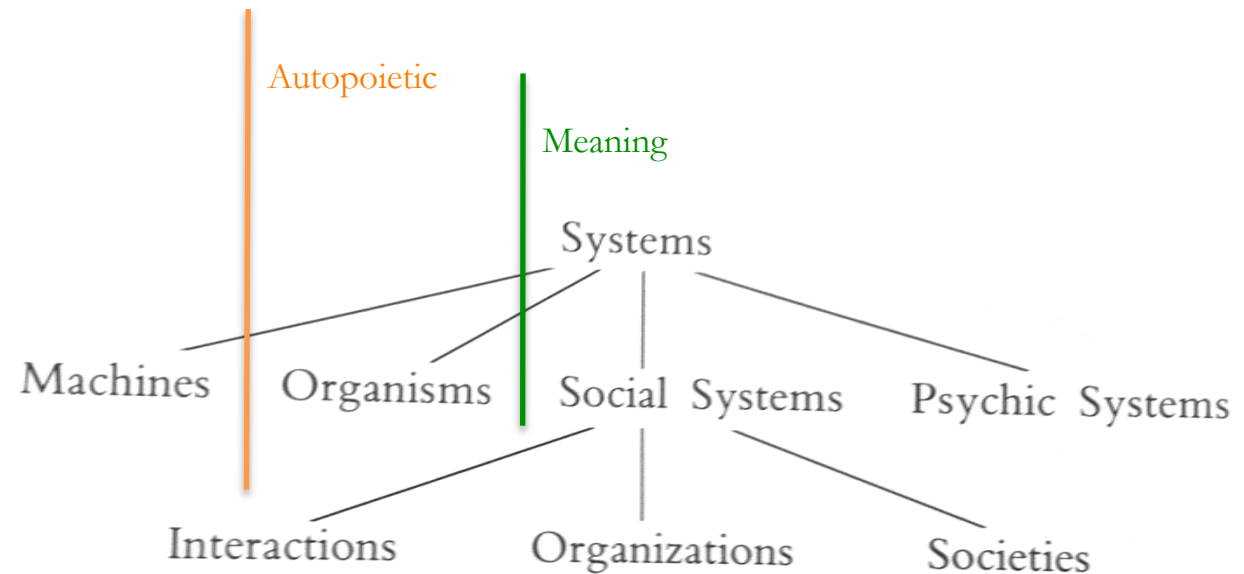
Basics knowledge in newspeak

System: element, structure, system | environment

Types of systems:

- Physical systems, substances (existence)
- Living systems, life, self-made substance (reproduction)
- Psychic systems, consciousness (thought, meaning)
- Social systems (communication, meaning)

Organizations as systems of decision



Autopoiesis. Selection. System | Environment (But: Basic self-reference. Blind operation. Reflex).

Meaning. Actual | Potential. Reflection. Sense-making. Submarine. What's that sound? Digestive Track.

Organizations as systems of decision

NOTE

Meaning systems are sense-making systems. They refer to their environment by referring to themselves.

Psychic systems
(Cross-reference of thoughts)

Social systems
(Cross-reference of communications)

Organizations as systems of decision

What are social systems? What is communication?

Starting point:

Types of relationships that psychic systems can have.

ego	alter	1
ego	alter ego	<i>ego</i>
ego alter	alter	<i>alter</i>

Organizations as systems of decision

Double contingency

When contingency (neither causality nor coincidence) ...

... doubles:

1	alter	ego
ego	alter ego	ego
alter	alter	alter ego

ego	alter	1
ego	alter ego	ego
ego alter	alter	alter



Organizations as systems of decision

2nd order expectations

(Expectations including the other's expectations regarding one's own expectations)

Pedestrian zone.

Rock, paper scissors.

Solution: Communication.



Organizations as systems of decision

Communication

Going beyond behaviour, interpretation, expectation and actions.

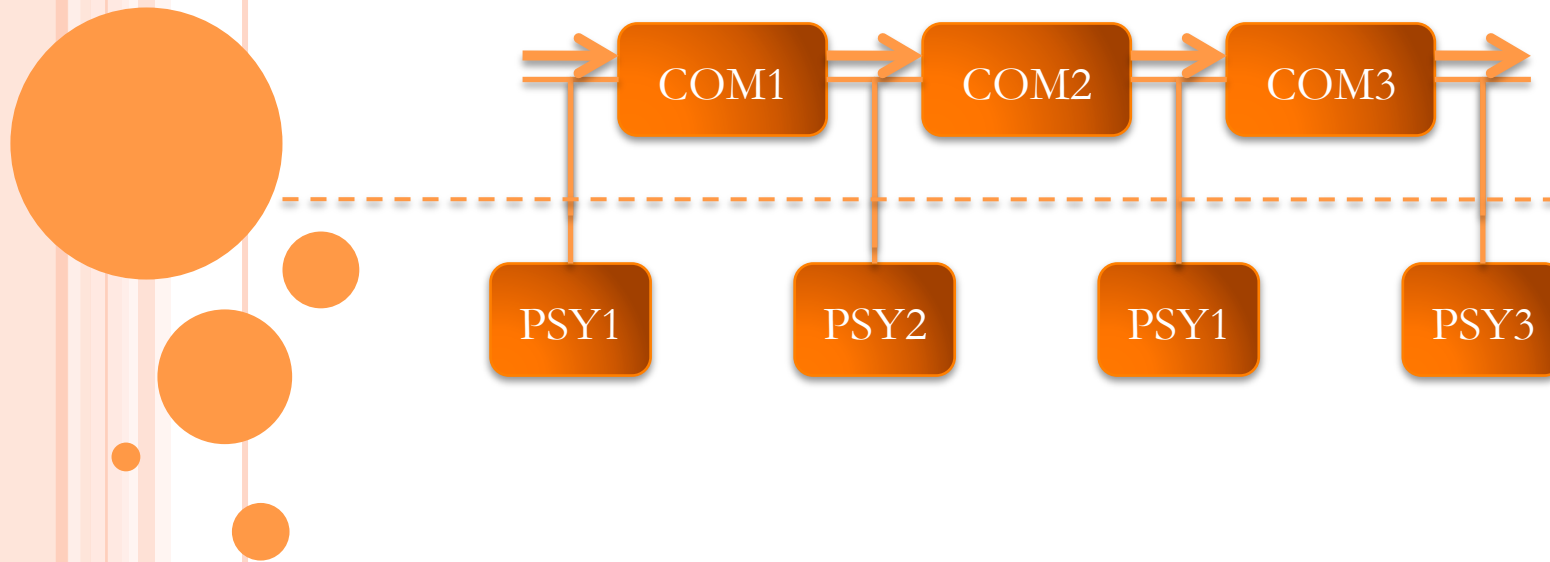
Information

Convey/Message (*≠ Content, rather the 'direction'*)

Understanding

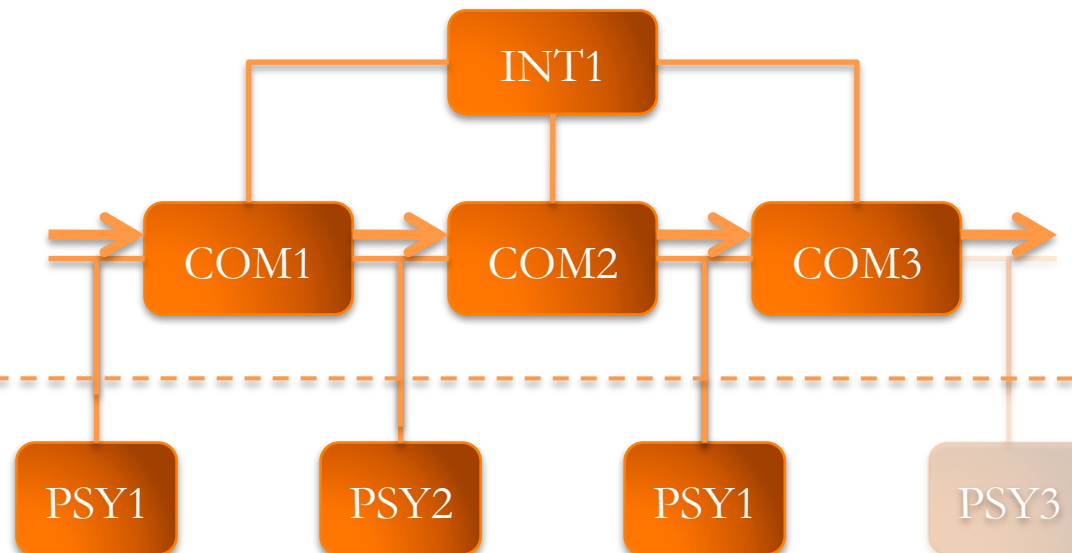
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The musical score of communication: When solutions develop a logic of its own.



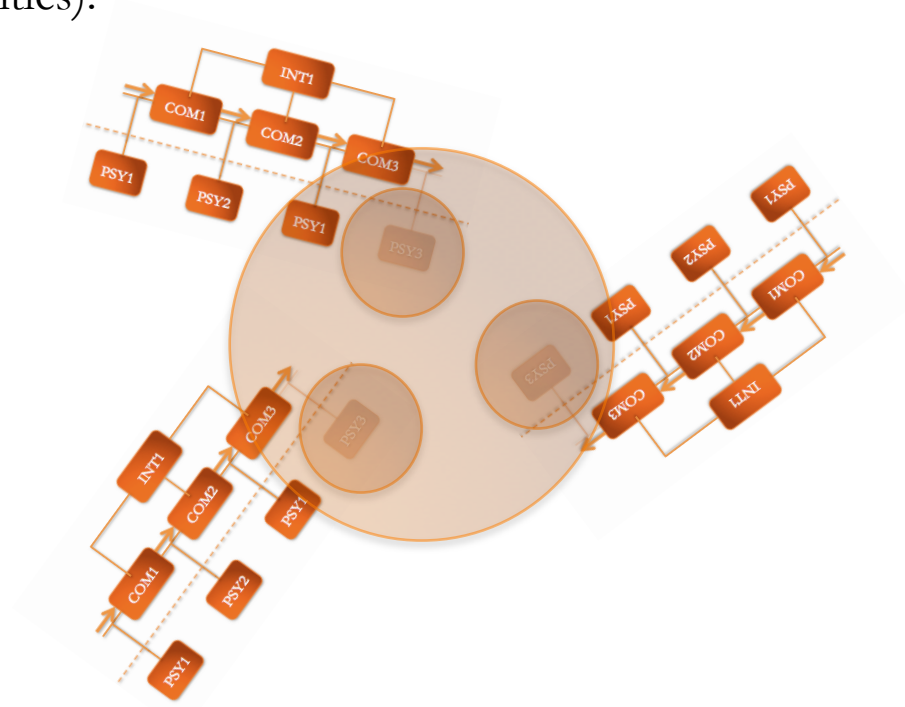
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Giving communication on a structure by means of communication, part 1: Interaction as communication of *presence* | *absence of consciousness*.



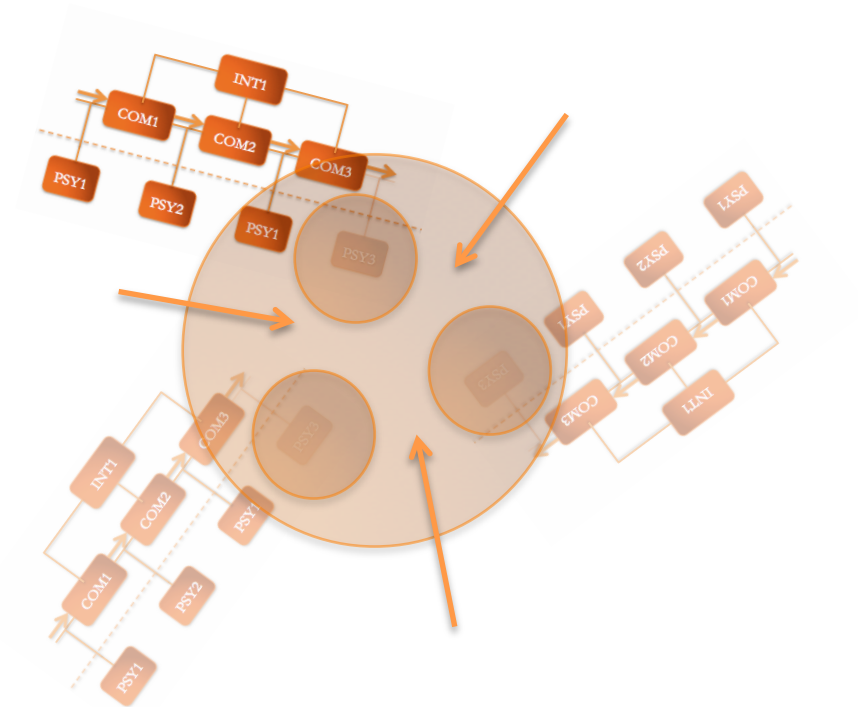
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Of sleepers, gossips, servants and men of few words:
Untangling interactions (structure) as well as roles and
persons (semantics).



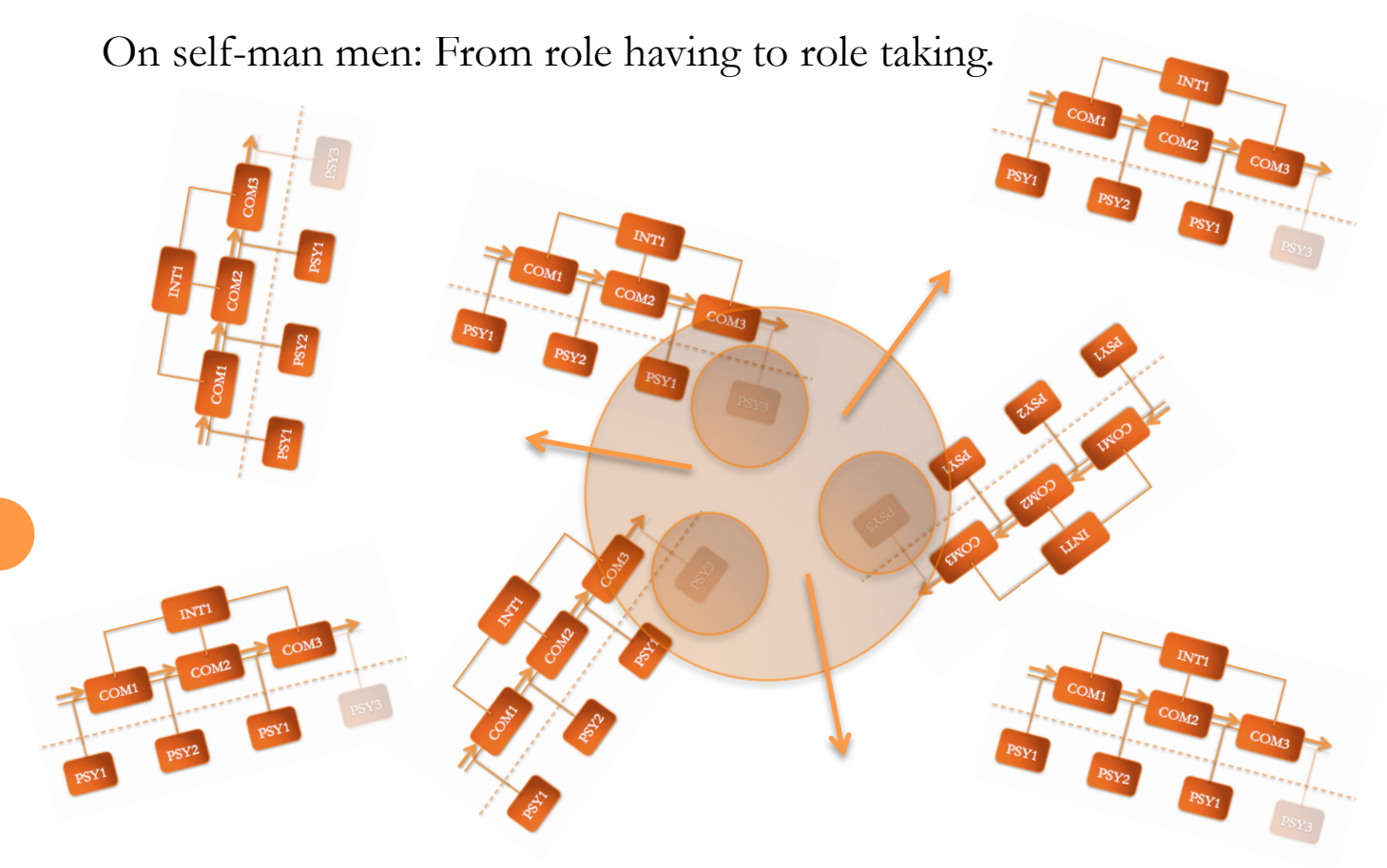
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Of genders and ages, kings and beggars: Roles as fate, and persons as their roles.



Organizations as systems of decision

On self-man men: From role having to role taking.



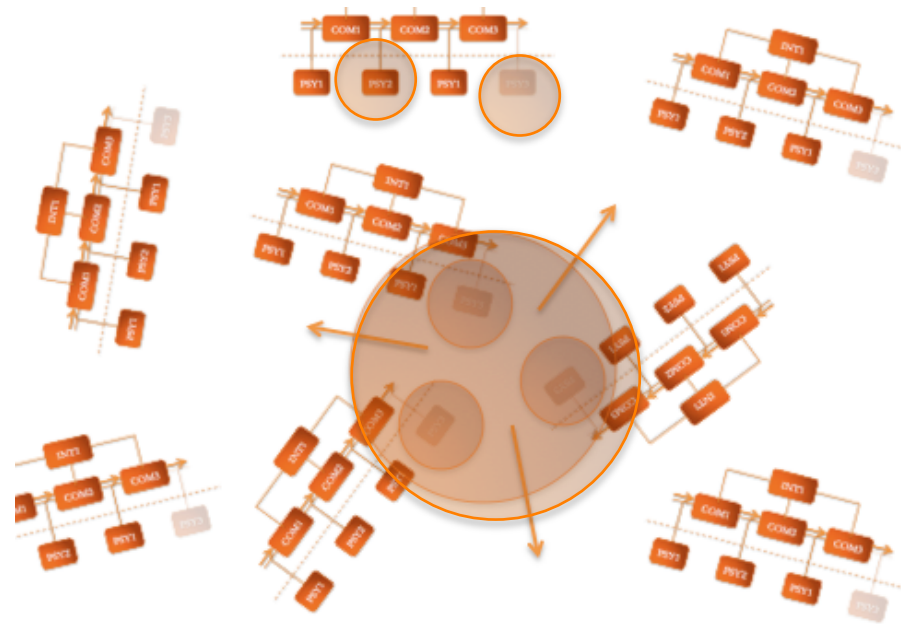
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Tiger, Samurai, Grandmother: A game on 'the nature' of organizations.



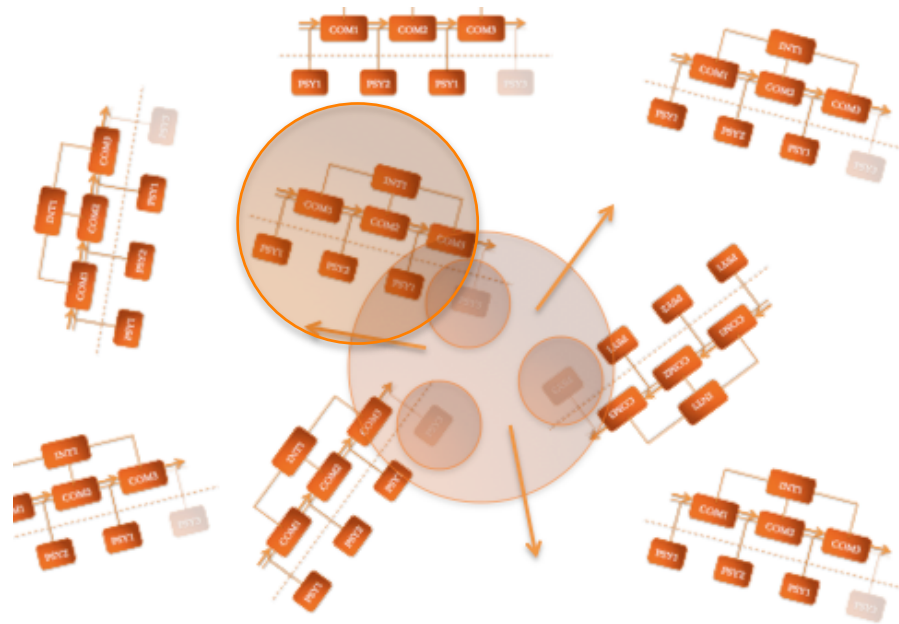
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From role taking to role conflicts: Rolling out intra-personal and inter-personal problems.



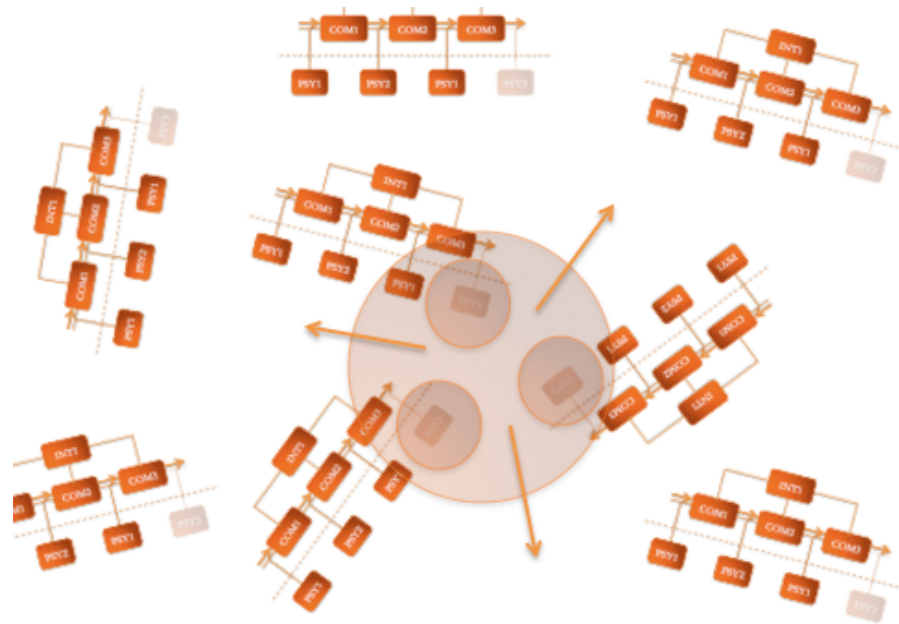
Organizations as systems of decision

Solving role conflicts, part 1: Institutions as symbols
'individual' decisions, or the 'work-life-balance' problem.



Organizations as systems of decision

Solving role conflicts, part 2: Organizations as systems of the communication of decisions.



Organizations as systems of decision

One step back: On 'the nature' of decisions

How to define decision?

Decision as a choice among *alternatives*?

But what are *alternatives* without choice? (Tautology alert)!

Rather:

Decision as a specific form of communication. "It is not that decisions are first made and then communicated; decisions are communications" (Seidl 2005, 39).

→ Decisions are not produced by human beings, but by the social system 'organization'.

Organizations as systems of decision

Decisions as communications

Decisions as *compact* communications. What the heck does this mean?

Decisions communicate their own *contingency*!
(*We remember: Contingent is neither causal nor chaotic*).

In contrast to ‘ordinary’ communication, which only communicates a specific content (topic, i.e. ‘nice weather today’ or ‘ԵՍ ՔԵՍ ՍԻՐԻՄ ԵՄ’), a decision also communicates that there have been alternatives. In other words: ‘I love you’ as a decision means there would have been others to love.



Organizations as systems of decision

'Decision communication' as paradoxical communication

The more decisions 'are taken', the more alternatives are (implicitly) communicated, and thus the less 'justified' is the selected alternative. Hence, the less the taken decision will be accepted.

And vice versa: The more a selected alternative has successfully been justified, the less it will appear as a decision.

Thus, the bottom line is: The more clearly a decision is communicated as a decision, the less likely we are going to accept it: *"Only those questions that are in principle undecidable, we can decide"* (von Förster 1992, 14).

Organizations as systems of decision

If 'decision communication' has a structural acceptance problem, then why does it not break down?

- 1) Even the deconstruction of a decision has to be communicated as a decision (\rightarrow *The rejection of a decision 'is' a decision itself*).
- 2) Taken decisions usually can refer to other taken decisions (\rightarrow *There are decisions that prohibit the rejection of certain other decisions; if you love me, then you cannot have sex with others*).

In other words, organizations obviously do have a logic or structure of their own, which distinguishes them from 'normal communication'.



Organizations as systems of decision

Organization and ‘normal communication’

Obviously, there still is ‘normal communication’ (e.g. gossips) ‘in’ what we use to call organization. However, these communications do not take part in the autopoiesis of the organization:

“In living cells, there are also some minerals (...) which do not take part in the autopoiesis of the system, but which nevertheless serve important functions” (Luhmann 2000, 68).

Organizations as systems of decision

Organization and uncertainty (absorption)

Organization ‚is‘ the linking of decisions. In this sense, each decision is both a product of earlier decisions and the basis for ensuing decisions.

A decision is only completed when subsequent decisions have connected to it.

An organization might decide to manufacture a certain new product (=neither another nor none). However, the decision is only realized when further decisions connect to it: setting up of the respective production line, marketing for the new product.



Organizations as systems of decision

Organization and uncertainty (absorption)

Organization is the linking of decisions. In this sense, each decision is both a product of earlier decisions and the basis for ensuing decisions.

In this way, decisions reduce uncertainty: Uncertainty absorption takes place when inferences are drawn from a body of evidence and the inferences, instead of the evidence itself, are communicated.

Investment decisions are inferred from information on the market (evidence). However, decisions do not communicate the 'market information' but the conclusion taken from it (inference). → *Re. markets, inferences make the evidences.*

Organizations as systems of decision

Organization and decision premises

The idea of decision premises is closely related to the concept of uncertainty absorption:

A decision takes previous decisions as premises; *i..e. every decision serves as a decision premise.*

→ Uncertainty absorption takes place when a decision is used by subsequent decisions as a decision premise.

→ Decision premises create and restrict decision situations:

- a) Without decision premises there is no need for decision (*If there is no decision for romantic love, then there is no need to decide for or against monogamy*).
- b) Decision premises define and thereby restrict the decision situation.



Organizations as systems of decision

Forms of decision premises

- Personnel
- Communication channels
- Programs
- Organizational culture



Organizations as systems of decision

Forms of decision premises

- Personnel

Recruitment, membership.

- a) Commencement or termination of a membership
- b) Transfer of members to certain positions

Personnel is a decision premise insofar as it makes a difference to the question of *who is in charge of or responsible for a decision.*

Organizations as systems of decision

Forms of decision premises

- Communication channels

The organization of the organization, meaning it's structure.





Organizations as systems of decision

Forms of decision premises

- Programs

Programs are decision premises that define the conditions for correct decision making. In other words: Programs are plans.

- Conditional programs (If, then).

(Uncertainty problem: Are the conditions, which the decision is based on, really met?)

- Goal programs (Maximize profit, educate students, ...)

(Uncertainty problem: Causal link between alternatives and goals?)

Basic uncertainty: Whether or not the program shall be applied to the decision situation?

Organizations as systems of decision

Forms of decision premises

(Positions)

(Positions are nodes within the network of organization: Each position is filled by a certain person, is located somewhere in the structure of organizational channels, and execute a certain program).

(Positions give orientation for decisions on new decision premises: Only such new premises can be integrated, which fit into the existing structure of positions, or for which new positions can be created).



Organizations as systems of decision

Forms of decision premises

- Organizational culture

The undecidable decision premise.

Organizational culture is a by-product of the ongoing organizational decision making process.

Decision premises of this type refer to the way that an organization deals with its own processes (of decision making), e.g. the fact that it tends to produce the same type of decisions (e.g. recruiting only female members, etc).

Organizational culture therefore has much to do with the idea of 'we've always done it this way', and the discrepancy between this semantics and the organizational structure.



Organizations as systems of decision

Decisions as communications

Decisions as compact communications

The paradox of decision

Management and decision (*next lecture*).