



## **Organizational Sociology**

### Lecture 7

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## Organization and management

Basics: On the 'Form of the firm' (Baecker 2006).

A theory is a *device* to cultivate an interest in a phenomenon (Weick, 1987).

The introduction of, and reflection on, *the observer* is a central element (...). The observer appears at least twice, as the *object* -that is, the firm - and as the *subject* - the analysis being done by an analyst, who in our case is a sociologist.

Self-entanglement is intentional, self-exemption is forbidden.

## Organization and management

Basics: On the 'Form of the firm' (Baecker 2006).

Basics of organizational theory:

- 'Business' (Purpose, goal, endeavor, venture, enterprise)
- Systems reference (Economy, politics, ...)
- Culture (Identity in perpetual comparison with other organizations)
- History (next slides)
- Management (the slides after: Discussing the )

## Organization and management

Basics: On the 'Form of the firm' (Baecker 2006).

Basics of organizational theory: History

It is what the members, files, data, procedures, machinery and architecture of the organization *embody* ...

Both members and observers of the organization *only encounter that history* when they try to propose further action that somehow *does not fit* with what the history, or rather the many histories, of the organization had led them *to expect* and be prepared for ...

This is when members and observers know that times are changing and *either recall history* in order to *enforce a history that possibly only then gets any shape*, or recall it in order at least to know *what it is they are leaving behind*.

## Organization and management

Basics: On the 'Form of the firm' (Baecker 2006).

History is complex, historizing is contingent.

→ *Control therefore means a) developing a memory of desired states and b) cultivating the ability to watch and deal with deviations from this state.*

→ *A better paraphrase for this kind of 'control' is 'checking on the other by checking on oneself', since it does not help one to dominate the other, but rather to select one's own behavior in response to the behavior of the other.*

History, just as well as identity, needs to be a system's state 'confirmed' by the environment: There is no way to control whatsoever if that very control does not accept to be controlled in turn by what it tries to control.

Excuse: Armenian History?

## Organization and management

On the problem of organization: Organization and management

A discussion on:

Mayr, Katharina and Jasmin Siri (2010) 'Management as a Symbolizing Construction? Re-Arranging the Understanding of Management', *Forum Qualitative Social Research*, Vol. 11, No. 3.

Download:

<http://steffenroth.files.wordpress.com/2010/10/management-as-a-symbolizing-construction.pdf>

## Organization and management

### On the problem of organization: Organization and management

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.*

## Organization and management

### On the problem of organization: Organization and management

What problem solving potentials does management hold for the organization? What are the problems management is dealing with in a modern society?

*The functional analyst asks: What problems does this communication (cf. a text) solve? (...) Which semantics or self-descriptions appear? What are the narrations we know through other organizational communications (documents, media etc.)?*

## Organization and management

### On the problem of organization: Organization and management

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.*

## Organization and management

### On the problem of organization: Organization and management

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.

## Organization and management

### On the problem of organization: Organization and management

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).

Rationality as a myth??

## Organization and management

### On the problem of organization: Organization and management

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.

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.

## Organization and management

### On the problem of organization: Organization and management

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*.

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).

## Organization and management

### On the problem of organization: Organization and management

*“Only those questions that are in principle undecidable, we can decide” (von Förster 1992, 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.

→ Mystification of the black box.

## Organization and management

On the problem of organization: Organization and management

→ Mystification of the black box.

*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*



## Organization and management

### On the problem of organization: Organization and management

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.

For example, management symbolizes persons as addressees that can still be addressed the next day as representatives of decisions.

## Organization and management

### On the problem of organization: Organization and management

*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 (again the black-box).*