

THE ROUTLEDGE HANDBOOK OF THE COMMUNICATIVE CONSTITUTION OF ORGANIZATION

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5

THE COMMUNICATIVE CONSTITUTION OF THE WORLD

A Luhmannian View on Communication, Organizations, and Society

Michael Grothe-Hammer

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5

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Introduction

Niklas Luhmann is one of “contemporary sociology’s most prominent icons” (Bamyeh, 2014). Although internationally best known for his seminal contributions to sociology (Sohn, 2020), Luhmann in fact started his scientific career as an organization theorist (Seidl & Mormann, 2014). However, in contrast to other prominent sociologists who began similarly organization-focused in the 1960s but then lost their interest in organizational phenomena, Luhmann kept developing his organization theory over the decades and constantly included organizations in all areas of his overarching theory (Ahrne et al., 2016).

As a result, his organization theory comes embedded in a complex grand theory – ranging from his own version of social constructivism over countless social theory contributions to an advanced combination of micro-, meso- and macro-sociological theory. Specifically, this includes theories of communication, face-to-face interaction, organization, social movements, power, risk, trust, love, paradoxes, the welfare state, ecological problems, as well as macro-societal differentiation in general, and societal domains in specific such as politics, economics, science, the legal system, art, religion, and the mass media (Becker, 2005). Hence, Luhmann’s theory can spawn fascination as well as intimidation. His theory is probably the most extensive sociological theory there is and therefore offers an unmatched explanatory potential. Any introductory text on his works therefore faces the problem that it must opt for a very specific glimpse highlighting certain aspects while ignoring most areas of Luhmann’s oeuvre. In this respect, there have been numerous excellent introductions (e.g., Cooren & Seidl, 2019; Nassehi, 2005; Schoeneborn, 2011; Seidl, 2005; Schirmer & Michailakis, 2019), which have fueled and accompanied a dramatic increase of Anglophone research works drawing on Luhmann’s theory in recent years (Sohn, 2020).

A substantive international debate across several disciplines has emerged which is engaged in further developing Luhmann’s theory as such. This includes his organization theory. There

have been, for instance, interesting works on the notion of membership (Andersen & Born, 2008), the organizational adoption of new technologies (Højlund & Villadsen, 2020), or the interrelation between organizations, families, networks, and social movements (Kleve et al., 2020). A major recurring theme is the relation between organizations and macro-societal differentiation (e.g., Andersen, 2020; Apelt et al., 2017; Will et al., 2018), which will be a focus of this chapter.

Related to this development, one can also identify several discourses in organization studies, which took considerable inspiration from the Luhmannian framework but depart from it in several ways. In particular, Göran Ahrne and Nils Brunsson were critically inspired by Luhmann's insights. In their famous theories of meta-organization (Ahrne & Brunsson, 2008) as well as partial organization (Ahrne & Brunsson, 2011) they relied crucially on Luhmann's assertion that decisions are key for understanding organizational phenomena. Related and partly inspired by this development, Luhmann's framework is nowadays also considered one of the three main approaches of the CCO perspective (Brummans et al., 2014; see Cooren & Seidl, this volume). Accordingly, several scholars have drawn on Luhmann within this research stream, for instance, in works on "degrees of organizationality" (Dobusch & Schoeneborn, 2015; see Schoeneborn et al., this volume), when defining "organizations as networks of communication episodes" (Blaschke et al., 2012), or when discussing how organizations are constituted through oscillating between order and disorder (Grothe-Hammer & Schoeneborn, 2019; see Vásquez et al., this volume).

Against this backdrop, the main goal of this chapter is twofold. Firstly, I will offer an introduction to Luhmann's organization theory with special attention to communication, which is aimed at giving unfamiliar readers a concise glimpse into the theory and allowing them to connect to the expanding debate of the recent years. Like other theorists, Luhmann conceived of organizations as social systems constituted through communications. In particular, he defined organizations as communicatively constituted systems that are created through decision-making. Decisions are thereby understood as communications as well, and specifically as inherently paradoxical communications that attempt to select a certain option while simultaneously communicating discarded alternatives that could have been selected instead. As a result, decisions are fragile events typically provoking opposition and rejection. Organizations can be understood as social phenomena that are capable of de-paradoxifying decisions by featuring these very decisions as their main mode of operation. However, theorizing way beyond the focus on organizations, Luhmann moreover asserted that not only organizations, but our entire social world is constituted through communication.

Hence, I will secondly highlight the role of macro-societal differentiation. When reading "macro-societal" differentiation, one might at first think of social classes or other forms of stratification. But this is not mainly meant here. While Luhmann acknowledged the importance of stratification, he argued similarly to other sociologists (Abrutyn & Turner, 2011; Bourdieu, 1988; Weber, 1946) that on a macro-level, society is differentiated into thematically distinctive domains such as politics, economics, and science. However, in contrast to other theories, the Luhmannian take on this is the assertion that these societal domains are best understood as systems that are constituted communicatively. In this respect, this chapter will also provide an introduction to this highly abstract theorization of society. As I will point out, the Luhmannian framework offers a communication-based counter program to the contemporary mainstream debate of institutional logics in the field of organization studies. I will thereby add to the existing literature by illustrating how different macro-societal systems are connected through single communication events and how they are structurally coupled via organizations.

The World as Communication

The Emergence of Communication “in-between” Human Beings

Luhmann’s systems theory builds on a constructivist understanding of social reality (Luhmann, 1994). Like several other theorists in CCO research and related fields, Luhmann defines organizations as constituted by communication (Brummans et al., 2014). However, Luhmann is far more radical than most of them. According to him, not only organizations but the whole social world as such is constituted by communication and by communication only (Luhmann, 2012, 2013). The theory does not mean to question if there is some kind of “real” reality in a physics sense or that there are consciousnesses of human beings, chemical processes, and biological beings. The crucial point is that these “real” realities have no meaning (Luhmann, 1995b). They simply exist, and as such they can only be observed – and ultimately given meaning – in social processes.

The social reality is understood as a distinct level of reality that emerges out of the relation between human beings. Luhmann adopts a relational approach in this respect (Guy, 2018). The world is therefore not constructed by human beings; it is constructed by what emerges “in-between” human beings, i.e., social processes that, according to Luhmann, take the form of “communication” (Luhmann, 1996b, p. 260). At least one human being has to utter something (speak or gesture or act in some way) while another has to perceive this utterance and establish an understanding that some information has been uttered. However, as I outlined on another occasion:

“Understanding” thereby does not mean that someone “understood” what another person wanted to say – that would be simply impossible since one cannot think in the head of the other. Understanding simply means that it was understood that an utterance (i.e., something was expressed in a certain way, e.g., in words or gestures) is different from the information (i.e., the actual content) that has been uttered.

Grothe-Hammer, 2020, p. 484

Therefore, Luhmann identifies three basic elements that constitute communication – *utterance*, *understanding*, *information* – and communication only occurs when all three are present (Luhmann, 1992). An utterance can only be there if there is something that is uttered, i.e., information – and the one can only exist in occurrence with the other. Without understanding, on the other hand, there would not be information or an utterance in the first place, because then no social process would emerge. Perhaps there might be attempts to utter something (e.g., someone screaming towards another one who stands far away), but without an understanding the attempt to communicate would remain a mere attempt. Understanding, however, might also mean instances in which the involved people might think they misunderstood something or did not understand at all what another one was saying. But such descriptions would already be interpretations, which are only possible because on a basic level it was understood that there was an utterance that said something, even if the “something” – the information – appears to remain unclear. Even something uttered being unclear is already information – and as such it can be built on, e.g., by engaging in further communication for clarification, or by avoiding exactly this because one wants to leave it unclear. This is the main difference from events that simply happen – like a tree falling over or the sun going down. In such events there is no difference between utterance and information – these events simply happen and meaning can only be attributed to them through communication.

In a similar manner, a person might act without this action having any social relevance or meaning. Someone might be sitting at home alone talking to the wall. As long as no one else is there to process the talking, it is socially irrelevant. This talking does not become real in a social sense – notwithstanding that this all might exist in some physical reality. Only when the action of talking becomes processed as an utterance and thereby part of a communication process, actual social meaning arises.

Hence, (at least two) human beings are an important pre-condition for the emergence of communication; but the communication emerges in their interrelation and develops a life of its own (Luhmann, 1992). It is not possible to trace back the meaning that is constructed to a single individual. What the communication means is not identical with what someone has uttered, nor is it determined by what another one might understand psychologically.

Social Reality as Process

Human beings provide a necessary (double) *indeterminacy*¹ through which novel meaning is possible (Esposito, 2017). They are non-trivial (psychological and biological) systems that behave neither deterministically nor randomly but contingently. Usually, we can expect certain behaviors of certain people or in certain situations, but behaviors can always happen differently from what we expected. Hence, human beings can neither fully predetermine what meaning emerges socially nor can they directly translate social meaning into psychological meaning and vice versa. Rather, the coupling between human beings and communication can be understood as a bilateral triggering of changes of state:

One reads, for example, that tobacco, alcohol, butter, and frozen meat are bad for one's health, and one is changed (into someone who should know and observe this) – whether one believes it or not! One cannot ignore it any longer.

Luhmann 1995a, p. 148

Triggered by one communication event, a human being then triggers further communication events, and so on – creating a never-ending chain of communication events. Certain communication episodes might “end” – e.g., a conversation, the watching of a movie, a mail exchange – but in the context of society in general, communication constantly goes on, creating a recursive network of communication episodes spanning time and space (Luhmann, 2012, pp. 40–49). Thereby, the one communication event – one event of utterance, understanding, information – is only established in the next communication event. The understanding of the information of one utterance only means something if at least one ensuing utterance builds on it, thereby triggering the emergence of new meaning, and so on (see Figure 5.1). This “connection” can take place directly or indirectly; “connection” merely means that the meaning constructed in one communication event affects the meaning construction of following communication events. While “direct” connections might be obvious – e.g., writing an e-mail in response to an e-mail, or someone saying something in response to another person saying something – indirect connections might be hard to trace. Good examples are the watching of movies or the reading of books. In these cases, direct responses are impossible, and nevertheless most would probably agree that these are instances of communication. To draw on an anecdote here: I can remember that reading “All Quiet on the Western Front” (Remarque 1998/1929) changed how I communicated (and behaved) at work behind a bar – although probably no observer would be able to trace certain things I said back to the book that I had read. I had

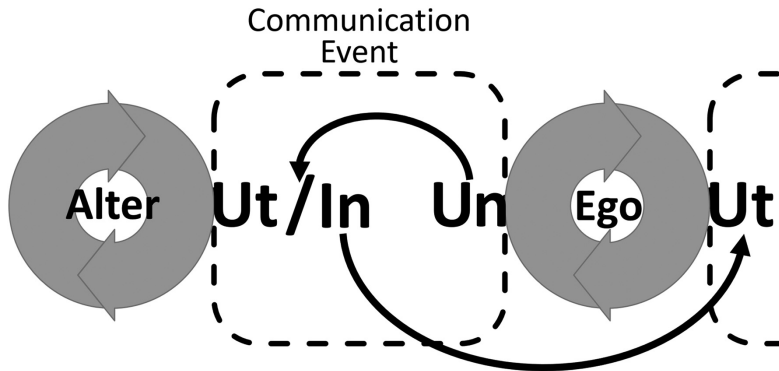


Figure 5.1 The three elements of a single communication event: utterance (“ut”); understanding (“un”); information (“in”). The one event is only established through the ensuing one(s), which can, of course, address the same persons again.

been changed in state psychologically and this has changed the state of further communications I have participated in (as illustrated by these very sentences).

Thus, *social reality only exists in the process*. These processes are thereby shaped by social structures, i.e., more or less stable expectations. But these structures in turn also only exist in the process – reproduced and constantly shifting from one communication event to another.² Communication processes, moreover, spawn the emergence of social systems, i.e., processual entities (conceptualized next) that are constituted as soon as “certain communications connect to certain other communications and exclude the rest” (Grothe-Hammer, 2020, p. 484). Then a boundary between an inside and an outside is created, marking a distinguishable system – which can take manifold forms ranging from face-to-face interactions over conflicts, social movements, macro-societal domains, to organizations (Luhmann, 2012, 2013).

Social Systems as Processual Entities

Social systems are *both closed and open systems at the same time* (Luhmann, 1995a, p. 37). On the one hand they are operatively closed since only certain communications connect to certain communications. “Certain communications” mean specific characteristics that these have that make them distinctive from other communications. Any type of social system has its own peculiarities characterized by its own special mode of communication (Kühl, 2020). On the other hand, systems are open in several ways. They can observe their environment through their processes, thereby making their own meaning out of it, and they are triggered by their environment through certain couplings that cannot be evaded. Couplings are certain connecting points between systems and their environments in which certain events on the one side inevitably trigger a change of state on the other – as, e.g., discussed above regarding the relation between human beings and communication (Hagen, 2000). There are countless couplings between social systems and their physical and biological environment, and between social systems themselves – most of which I cannot discuss here in further detail, but I will come back to this when it comes to unfolding how different societal domains as systems are coupled among each other.

Organizations as Systems of Decisions

One specific type of social systems is organizations. These are constituted through a specific kind of communication, i.e., decisions (Luhmann, 2018). To understand how Luhmann could derive such an unusual definition of organizations, it is important to stress that he departs significantly from other established understandings of decisions. Most works treat decisions as psychological events by assuming that it is a person who makes a decision and then communicates it (Grothe-Hammer et al., forthcoming); and, with such a definition in mind, most scholars would probably argue that it makes no sense to define organizations as systems constituted through decision-making. However, Luhmann defines decisions as mere social events, i.e., as communications

which communicate their own contingency ('contingency' here in the sense of 'also possible otherwise'). In contrast to an ordinary communication, which only communicates a specific content that has been selected (e.g. 'I love you'), a decision communication communicates also – explicitly or implicitly – that there are alternatives that could have been selected instead (e.g. 'I am going to employ candidate A and not candidate B').

Seidl, 2005, p. 39

Consequently, decisions are inherently *paradoxical* communications because they attempt to select a certain option while simultaneously communicating discarded alternatives (Luhmann, 2018). Therefore, decisions always fix and open up meaning at the same time (Grothe-Hammer & Schoeneborn, 2019). As a result, decisions are fragile events typically provoking opposition and rejection, because other options are always visible and inevitably bring up the question if another possibility could have been selected instead.

This paradox is unsolvable because a decision is only possible if options are available. In situations in which a certain course of action indeed appears as being “without any alternative”, there would be no choice to make and hence no decision. Scholars have accordingly pointed out that, in a sense, decisions are always “undecidable” because they are necessarily fixed and non-fixed at the same time (Andersen, 2003).

This paradox provides the basis for the phenomenon we call “organization”. In most social settings, the acceptance of a decision as a premise for ensuing decisions or behavior is improbable. Decisions are fragile “because rejecting a decision implies the possibility of just ignoring it” (Grothe-Hammer & Schoeneborn, 2019). However, organizations can be understood as those social phenomena that are capable of de-paradoxifying decisions by featuring these very decisions as their main mode of operation (Schoeneborn, 2011). Organizations constitute and reproduce themselves through decisions and communications oriented towards decisions (Luhmann, 2018).

Let me clarify this in the following, since this assertion might seem counter-intuitive at a first glance. Many have argued that the importance of decisions in and for organizations should not be overestimated, because decisions are said to often not translate into action (Brunsson & Brunsson, 2017, p. 6). However, Luhmann argues that this is not an adequate description of what is happening empirically in organizations. From a Luhmannian perspective such a clear-cut distinction between decision/action would be an analytical attribution – retrospectively applied, for instance, by a researcher. Luhmann thus points out that in organizations so-called “actions” that might or might not be based on a previous decision, in fact are (or can be) treated as decisions themselves. This is hence one of the main characteristics of organizations, i.e., every event that is treated as part of the organization is or can be treated as a decision.

Particularly in organizations ... practically all behavior – even machine operation, dealing with enquiries, or coming late to work – can, in the event of problematization, be thematized as decisions.

Luhmann, 2018, p. 45

This “totalization” of decisions as the basic operational element then produces organizations’ unique characteristics in comparison to other types of social systems. While in other social settings – like in an informal face-to-face interaction – a decision might simply be rejected or ignored, in organizations rejecting or ignoring a decision produces the need for new decisions. Rejecting a decision can only be achieved by another decision. As outlined above, even the ignoring of a decision can be treated as a decision in case of problematization – whether the “ignorer” meant it this way or not.

Hence, organizations produce constant “decision necessities” (Nassehi, 2005) through which “one decision calls for ensuing decisions, resulting in a self-reproducing stream of decisions” (Ahrne et al., 2016, p. 95). In doing so, organizations are capable of stabilizing the fragility of decisions to some degree, thereby producing complexities that no other social phenomenon can provide. This is one of their main relevances in modern society. Without more or less stable decisions, modern society would not be possible (Ahrne et al., 2016; Grothe-Hammer et al., forthcoming), so it is dependent on organizations to provide such. Only organizations are capable of producing those complex decisions needed to allow for modern medicine, air travel, the internet, disaster response, building construction, and so on.

One important aspect is their capability to produce certain decisions that become accepted as relatively stable premises for further decisions. Drawing on Herbert A. Simon (1997), Luhmann (2018) calls these (decided) “decision premises”, i.e., those decisions that are used as premises in ensuing decisions. Decision premises are the organization’s structures. Decided decision premises can take many forms. Luhmann repeatedly distinguished three broad categories: “communication channels”, which define who is supposed to communicate with whom, and who can issue orders for whom (vertical and horizontal hierarchies); “programs” in the form of rules, regulations, and goals; and “personnel” selection, deployment, and transfers (see Seidl, 2005). Whereas these three categories offer the possibility to map an organization’s structures comprehensively, one can employ less abstract notions when describing certain concrete structural elements. Scholars (including Luhmann) have, for instance, also described structural elements such as membership, hierarchies, rules, goals, organizational statements, monitoring systems, and sanctioning mechanisms as decision premises on which the organization can decide (Apelt et al., 2017; Christensen et al., 2013; Luhmann, 2013). Decision premises shape future decisions by limiting “the possibilities of what is accepted as decisions in organizations” (Grothe-Hammer & Schoeneborn, 2019). For instance, in most organizations, only those who were selected as members can participate in the organization’s decision processes, and only those who have a higher position in the vertical hierarchy have the right to issue decisions for other members (Luhmann, 2020).

In the above outlined understanding of communication, decided decision premises are certain decision events that become recurrently re-actualized and therefore “remembered” in ensuing decisions. The premises are remembered through the individuals participating in the decision events and whose psychological states have been influenced by the foregoing premises, therefore influencing the shape of ensuing utterances and understandings in communication, and ultimately the produced meaningful information (Luhmann, 1996a). Every decision premise is therefore re-actualized and hence more or less slightly re-confirmed, adapted, or re-shaped in each event. A certain position in the hierarchy might be seen as in charge for a

certain issue by certain people, while others might see another position in the hierarchy as in charge. A certain rule might lead to a particular action in one instance and to another action in another instance. A rule such as “the shower needs to be cleaned after every usage” needs re-interpretation in every actualization. What does “to be cleaned” mean? What qualifies as “usage”? Of course, one can try to overspecify such rules. However, the question is how far one needs to go to get rid of ambiguities. It should be immediately plausible that most rules in an organization cannot be specified in an ISO standard manner. Which researcher has not already experienced some ambiguities in manuscript submission guidelines of a journal when readying a paper for submission – even in cases in which these guidelines already have a length of 13 pages? And as soon as one thinks of structures other than algorithmizable rules – goals, communication channels, recruitment demands, hierarchical responsibilities, etc. – underspecification is unavoidable, and often facilitates ever new specifications.

Moreover, some decision premises might just be ignored – what technically de-premises them for the moment. The cleaning rule for the shower might simply not be followed at all. The authority of an official hierarch might just not be accepted and orders by them ignored. The recruitment demands might just be overthrown by someone giving the job to a friend, and so on. In these cases, we would come back to the abovementioned point: all these instances of rejections of decision premises can be treated as decisions themselves – perhaps even as the setting of alternative decision premises instead. The shower-cleaning rule issued by the head office might be substituted by a local cleaning rule – perhaps an unofficial one, but still a decided decision premise.

Apart from such “decided” decision premises, Luhmann (2018, pp. 193–203) also sees the relevance of “undecided” decision premises, which he describes as the organization’s culture. In particular, this concerns all the aspects of an organization that are not decided but that nevertheless shape the decisions the organization makes. In this understanding, organizational culture takes the form of undecided but nevertheless relevant expectations that serve as premises for how organizational decisions are made. This can be implicit norms, ambiguous values, or collegiality. An important aspect is that culture in this sense can be in fact undecidable. Some aspects like implicit norms might be turned into explicated norms through decisions and, hence, into decided premises for decision-making. However, many aspects such as a nice working climate, collegiality or mindfulness cannot be decided. Indeed, an organization might try to decide such issues as well – such as explicitly outlining norms of collegiality – but this will never prevent the emergence of undecided forms of collegiality (or un-collegiality) that escape the decisions. These are rather elementary or self-emergent forms of social structure that can perhaps be influenced by certain decisions but not directly decided.

Society and Macro-societal Domains as Systems of Communication

As outlined above, Luhmann identifies several different kinds of social systems that are all constituted through communication. Apart from organizations, he also defines face-to-face interactions, social movements, families, conflicts, as well as society as such, and several societal domains as social systems (Luhmann, 1995a, 2012, 2013). He describes modern society as the all-encompassing social system that consists of all communications. According to him, modern society can only be comprehended as one world society, because nowadays all communication in the world is somehow directly or indirectly connected (Luhmann, 1982).

In this view, organizations, as well as other social systems, can only be seen as subsystems of this overall world society – meaning that although they are autonomous and distinctive systems, their communications only exist (and gain their meaning) as embedded in the overall

network of communications happening in society. One can argue that all the different kinds of social systems represent some kind of internal differentiation of society into organizations, interactions, movements, and so. However, in addition to these kinds of systems, Luhmann (1982) also argued that society as such is differentiated on the macro-level itself.

Specifically, he argued that society is primarily differentiated into thematically or functionally distinctive domains: politics, economics, judiciary, medicine, sciences, education, mass media, art, religion, and love (Luhmann, 2012, 2013; Apelt et al., 2017) – nowadays complemented by sports and social help (Schirmer & Michailakis 2019; Stichweh 2013). Other forms of differentiation, i.e., stratified differentiation into strata, classes, and castes, segmentary differentiation in, e.g., nation states and military alliances, and center-periphery differentiation, e.g., into city and countryside, are, of course, still highly relevant. However, the main argument of Luhmann (2012, 2013) is that modernity distinguishes itself from pre-modern societies by featuring thematic differentiation as its main form of differentiation (for an excellent introduction see Schirmer & Michailakis, 2019). Without being able to go into more specifics here, it is probably worth noting that the idea of society being mainly differentiated into thematically distinctive realms is considered far from “exotic” in sociology. Many other theorists developed similar concepts (Apelt et al., 2017). For example, Max Weber (1946) called these realms “value spheres” (which in neo-institutional theory underlie so-called “institutional logics”; Friedland, 2014), (old) institutional theorists have defined these as “institutional domains” (Abrutyn and Turner, 2011), and Bourdieu (1988) called them “social fields”.

Luhmann defined these societal domains as “functional systems” (Luhmann, 2013) – and hence as systems which consist of communication and of communication only. These systems are “functional” in the sense that they provide functions that are elementary for society. Politics, for example, provides collectively binding decisions, science produces scientific knowledge, and the economy distributes scarce resources.

However, while organizations gain their operative distinctiveness by privileging decisions, societal domains orient communications thematically. Societal domains can be understood as social systems because they consist of interconnected communications that are thematically distinctive from communications in other societal domains. They feature their own logic of communication, and hence their own special mode of meaning-making. To grasp these logics of communication, Luhmann proposed to theoretically condense these into binary communication codes. He argued that the economic system only reproduced communication in the code having/not having, the political system only in power/non-power, and so on. However, we must not misunderstand these codes as something that is explicitly applied in practice (at least not all the time). The mere idea behind the binary code is to theoretically capture the empirical situation that each societal domain constructs the world through its own specific lens, i.e., by observing the world and communicatively constructing its own system-specific representation of it. The economic system constructs its view of the world in economic terms, the political system in political terms, and so on. The same event or object will have different meanings in different societal domains.

Let us think of a simple example like a dinner table. The dinner table has different meanings depending on which societal domain currently observes it. One can observe the dinner table through the lens of all societal domains. We can talk about the dinner table economically in terms of its price and potential maintenance costs (economic system), we can admire its aesthetic design (art system), use it as a device to set up the chess board (sports system), we might wonder if the used materials were even legal (juridical system), or perhaps even judge it based on its potential value for romantic activities such as a candlelight dinner (love system), and so on.

In terms of communication, this practically means that we can switch between societal domains within an ongoing face-to-face interaction. Thus, these societal domains are not some abstract substances or spheres with strict boundaries hovering somewhere above the clouds or so. It might be worth reminding us here that social systems are nothing else than networks of interconnected communications that progress through time and space, thereby distinguishing themselves from each other by including only certain kinds of communications. And while organizations create inclusion criteria by narrowing down the spectrum of what counts as internal by employing decision premises, the belonging of a communication to a societal domain is determined by its thematic focus. Thus, societal domains are dynamic communication systems and as such traverse all parts of social life – ranging from face-to-face interactions over organizations or social movements, to the globalized world.

Thus, objects, events, and activities may have a certain economic meaning when thematized in the economic domain, while having quite different meanings in other domains. One might simply think of how our scientific outputs are observed by societal domains other than science (if they are at all). Research results may develop a life of their own when reported on in the news (mass media system), or may trigger very different interpretations than imagined when used in teaching (educational system).

At the same time, the different societal domains trigger and influence each other constantly. They observe each other and, in many cases, even rely on each other's performances. The economic domain usually is quite dependent on scientific research results to develop or adjust new products, and it is dependent on the education system to produce knowledgeable and skilled personnel. The education system in turn is quite dependent on scientific knowledge (science systems) – e.g., in history class one could not teach much without historical research – and, of course, on funding (economic system).

But, if we accept the assertion that these societal domains are systems of distinctive and autonomous communication processes, how is it then possible that communication processes connect to each other? As outlined above, each social system is operatively closed in the sense that only certain communications belong to it while the rest is environment. Economic communication is only economic communication, educational communication is only educational communication, and so on. However, referring to Luhmann (1995a), I have also already argued that all systems are open to each other at the same time. So, how is this simultaneous closedness and openness possible? How can we imagine this seeming contradiction?

After all, these societal domains do not appear as visible entities in our everyday lives. In this respect, Luhmann restricted himself mostly to rather abstract explanations. In the following I will unfold this theoretical abstraction by breaking it down to the smallest elements of communication – something that to my knowledge has not been done so far. To this purpose, let us come back to the basic definition of communication and its three constitutive elements: utterance, understanding, information.

An important point I want to repeat is that a single utterance can be understood multiple times, thereby multiplying into ever new meanings. Think of a university professor giving a lecture. What they say is understood differently through each individual student, thereby each time producing slightly (or maybe even not so slightly) different meanings of what the professor utters. This phenomenon becomes most obvious in cases in which utterances are stabilized in time through material form – as in case of a book or a TV show (both representing utterances or bundles of utterances), a sculpture, etc. The same utterances can be understood countless times – for instance, when millions read the same book or watch the same TV show – thereby producing countless different understandings and slightly different meaningful information. Let us briefly adapt Figure 5.1 accordingly (Figure 5.2).

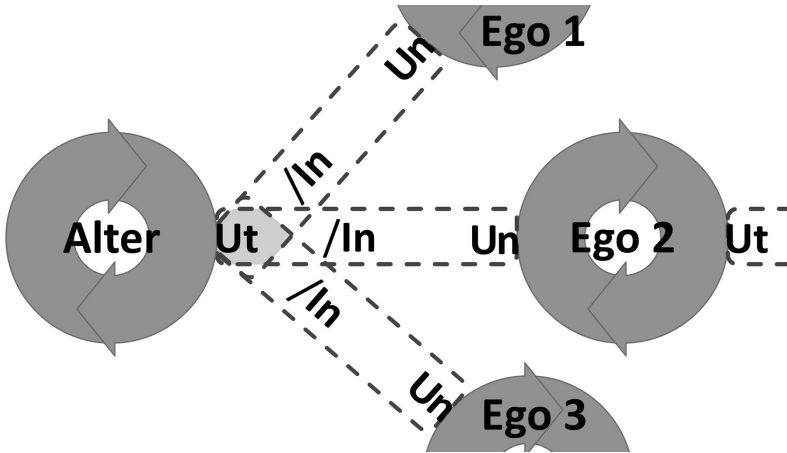


Figure 5.2 One utterance (“ut”) can be understood (“un”) multiple times by multiple recipients thereby producing differing information (“in”).

Derived from Luhmann, 2013, p. 7.

Having this *multiplication of communication* in mind, I would like to apply this insight to the case of different societal domains. Let us think of a hypothetical example from film production and imagine a meeting of the director, the assistant director, the production manager, the director of photography, and the production’s lawyer during pre-production. Let us assume the director says the following: “I want to shoot in St. Tropez on a yacht and Taylor Swift comes over.” We can now think about the different understandings located in different societal domains that this utterance might lead to. Immediately, the production manager might answer: “This is too expensive”, thereby constructing a meaning located in the economic domain. The assistant director might say that this is a good idea and will probably attract many viewers, which would create meaning and connection in the mass media domain. The director of photography might on the other hand react by praising the beauty of the location and what beautiful pictures they can shoot there – and hence constitute meaning in the art domain. And finally, the lawyer might immediately note that this will pose a number of legal challenges that need to be solved – producing a communication in the juridical domain.

Hence, in this simple example we can easily identify four different communications in four different societal domains spawned from one single utterance. Breaking down the communication process into its three basic elements – utterance, understanding, information – makes it therefore possible to understand how one utterance (one single action) can be an element of several different communication systems, and to understand how these systems can be open and closed at the same time. This connection of different systems via single instances is what Luhmann (2012, p. 126) called “*operational coupling*”, i.e., the coupling between systems through communicative operations. This aspect of coupling brings us finally back to organizations, and more specifically how organizations couple different societal domains.

Organizations and Societal Domains

We have now introduced the notions of communication, organization, organizational structures (decision premises), societal domains, and couplings between systems. At this point we can

bring these notions together to provide an understanding of how organizations combine different societal domains. It is now possible to understand that the same utterances can co-exist as elements of different systems, i.e., face-to-face interactions, organizations, different societal domains. Organizations can, hence, be seen as “multi-referential” – meaning that all societal domains traverse an organization (Apelt et al., 2017). Every organizational decision communication can also simultaneously appear as a communication of a societal domain, or even be multiplied into several societal domains. The organization might decide to spend money on something – which is an example of a communication belonging to the organization and a communication belonging to the societal domain of economics. Perhaps the organization decides to place a commercial on TV – thereby spawning the simultaneous appearance of an organizational, an economic, and a mass media communication in a single instant. These are examples of operative couplings because several systems are coupled in one operation of communication.

As outlined above, these couplings are only possible because communication provides the possibility of multiplying a single utterance into different communications with different meanings that can belong to different systems. Every utterance made in context of the organization system can also connect to societal domains. For example, an autopsy report as an utterance usually spawns a medical meaning and a juridical meaning, while at the same time also an organizational meaning: one utterance with at least three different communicative connections.

However, organizations can also turn operative couplings into *structural couplings*, so that organizations can implement relatively stable couplings between different societal domains. To do so, they make certain decisions that install such couplings between societal domains as organizational structures (Luhmann, 2018). Drawing on the above outlined concept of decision premises, an organization can, in particular, decide on certain communication channels, programs, and personnel issues – and design them in a way that they couple different systems. Let us begin with the structure of communication channels. In this respect, departmentalization is a well-known form of how to decouple societal domains to allow for specific instances of coupling (Besio & Meyer, 2015). The law department is then responsible for juridical communication, the research and development department is concerned with science, and so on. The actual coupling of societal domains then takes place via those arrangements within an organization that bring these departments together at certain points. These can be certain meetings, joint committees and working groups, boundary departments concerned with managing the relations between departments, and so on.

In terms of programs, one can think of goals and rules. Many organizations couple societal domains by prominently installing competing goals that correspond to different societal domains. Examples for such organizations are universities with their shared dedication to science and education, for-profit hospitals with their shared goals of treating sick people (medical domain) and making profits (economic domain), media companies with their shared goals of producing media content for lots of people (mass media domain) and making profits (economic domain), or museums that want to present artistic works (art domain) while being educational as well (education domain). In these cases, societal domains are coupled on a programmatic level leading an organization to constantly address two different societal domains at the same time. However, one can also think of certain rules that organizations implement that couple societal domains in an if-then manner. Hospitals might specify that certain treatments (medical system) are only performed after a payment (economic system). And a specialized news outlet might decide to publish only articles (mass media system) that are related to sports (sports systems).

Last but not least, organizations can also produce structural couplings between societal domains via personnel decisions. On the one hand, organizations might purposely employ people who are professionalized in one societal domain to work mainly in another. One might, for instance, think of political parties that appoint scientists to run for public votes, or of corporations that employ politicians to leverage political connections for economic purposes. On the other hand, one might also think of cases in which organizations design certain positions or roles in a way that they systematically combine different societal domains. At the university, the dual goal of science and education is implemented by having professor positions that combine both orientations in one role. Or to pick up the example of the autopsy report: such reports are produced by forensic pathologists who combine a medical orientation with a juridical one.

Conclusion

This chapter had two main purposes. First, I wanted to offer an introduction to Niklas Luhmann's theories of communication, organization, and macro-societal differentiation in a manner that differs from several (excellent) introductions that already exist. Second, I have demonstrated how the Luhmannian framework can offer an elaborated understanding of how organizations relate to different societal domains, and how organizations interrelate these societal domains among each other through their decisions on the level of single communicative events and on the structural level.

For the future, it might be worth exploring how the potential of the Luhmannian framework can be used better than now. When it comes to researching the relation between organizations and macro-societal differentiation, most organizational research is nowadays taking place within the neo-institutional framework, namely the debate revolving around so-called "institutional logics". However, the consequent works often suffer from a simplified view of organizations as containers of individual actors (cf. Hallett & Hawbaker, 2021) who then do something with these logics. Moreover, these works also suffer from a virtually non-existent macro-societal theory. While institutional logics are explicitly defined as being located in so-called macro-societal value spheres as famously outlined by Max Weber (Friedland, 2014), the theory of value spheres itself remains extremely underspecified. Max Weber (e.g., 1946) only wrote a couple of shorter pieces on these, and there have been in fact only very few works that aimed at further developing the theory. Among these are mainly works by Friedland and colleagues who try to provide a more thorough meta-theorization by taking institutional logics indeed out of sociology as such and instead resort to philosophizing the concept. Institutional logics are then described as grounded in some meta-physical "substance" (Friedland et al., 2014, p. 334) that is explicitly defined as "unobservable" (p. 337) and treated "as if 'it' exists" (p. 336).

The Luhmannian framework makes a counteroffer. It provides extensive works on nearly all macro-societal domains, and an integrated theory of organization – both being built on a framework of the communicative constitution (and construction) of social reality. In this respect I hope that my chapter can help to make the Luhmannian approach a bit more "digestible", so that a communication-based perspective might become a bit more valued in the debates on macro-societal differentiation in organization studies.

Notes

1 Also often called "double contingency".

2 In this respect, Luhmann 1995a, p. 293, explicitly builds on Anthony Giddens, 1979.

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