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# It's All in the Network: On the Distribution of Agency in Organizational Communication

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Following Luhmann's (1995) theory of social systems, human agency refers to the attribution of decision rights to individuals by an organization. It is necessarily a social concept that exists only in communication. Individuals cannot act as agents on behalf of the organization without the communication of their agency to begin with. For example, an individual may only speak on behalf of the organization in her role as manager. Anything she says outside that role and the agency attributed to it is irrelevant to the organization.

The de-centralization of individuals in social systems theory carries the advantage of looking at human agency as an exclusively organizational phenomenon. For example, power and politics in organizations are no longer matters of individual characteristics but result from the asymmetric distribution of agency.

In the following, I briefly introduce the notion of a communicative constitution of organization in social systems theory (Schoeneborn, 2011), provide more details on the respective concept of agency, illustrate how empirical studies may go about it, and discuss the implications thereof.

#### The Intellectual Perspective of Social Systems Theory

In general, human agency refers to the capacity of individuals to act independently of others and, therefore, to be free in their decisions (Emirbayer & Mische, 1998). Social systems theory (Luhmann, 1995), in contrast, has a radically different concept of agency simply because individual agents are not a part of social systems to begin with. Its concept of agency is necessarily tied to the basic idea of the communicative constitution of organization (Luhmann, 1986, 1995). Social systems (such as, for example, organizations) use communication as their particular mode of autopoietic (i. e., self-producing) reproduction. Their smallest unit of analysis is a single communication event, which comes about the synthesis of three selections, namely, information, utterance, and understanding (Luhmann, 1992). First, *information* is the selection of an observation of a difference between a social system and an individual or, in other words, psychic system participating in communication in the role of *alter*. (Information is a *difference that makes a difference*, to use Bateson.) Second, *utterance* is the selection of language and any form it may take to convey information. Third and last, *understanding* or, indeed, *misunderstanding* (Luhmann, 1981) is the selection of the uttered information. Information, utterance, and understanding are altogether observable to another individual participating in communication in the role of *ego*.

It cannot be overstated that information, utterance, and understanding are selections of a social system, not selections of individuals participating in communication either in the role of alter or ego. In the blunt words of Luhmann (2002, p. 169), "Humans cannot communicate; not even their brains can communicate; not even their conscious minds can communicate. Only communication can communicate."

Social systems are operationally closed in that their communication events cannot exist outside a recursively produced and reproduced network of communication (Blaschke et al., 2012). At the same time, they are open to observations of the difference between themselves and psychic systems. Of course, there is no communication without the participation of individuals to begin with. However, psychic systems use consciousness as their particular mode of autopoietic reproduction. Their smallest unit of analysis is a single conscious thought. Psychic systems, too, are operationally closed in that their thoughts cannot exist outside a recursively produced and reproduced network of consciousness (i. e., the mind Luhmann, 2002). At the same time, they are open to observations of the difference between themselves and social systems (e. g., organizations).

Consider, for example, a manager who tells a fellow member of her organization about a new product. Theoretically speaking, her consciousness stands in difference to communication, which is observable by the organization. The organization, in turn, selects information about the product, puts it in language to describe shape, color, and other details, and indicates an understanding or, possibly, a misunderstanding of the uttered information. This communication about the new product is observable to the consciousness of the other organizational member, who may participate in further communication to tell yet others about the new product.

### The Concept of Agency in Social Systems Theory

The definition of agency as the capacity of individuals to act independently of others is a given in social systems theory since individuals are operationally closed with respect to other psychic and social systems. (After all, there is no scientific proof of telepathy.) This individual agency, however, matters little in social systems because they, too, are operationally closed with respect to other social and psychic systems. Therefore, human agency in social systems refers to the attribution of decision rights to the communication roles of alter and ego, which necessarily manifest only in communication.

Individuals may be free in their own decisions, but organizational decisions are always bound by the agency that the communication roles of alter and ego were previously attributed with. A manager may decide for herself in the morning to tell a fellow member of her organization about a new product, but the organizational decision to reveal the new product only takes place when the manager actually tells the other individual about it later that day. This important difference to the concept of human agency found in other theories puts particular emphasis on the distribution of decision rights in a network of communication. Agency attributed in one communication event (e.g., granting decision rights for the development of a new product to a manager) only takes effect in subsequent communication events (e.g., revealing the product to others).

At this point yet another important difference to the more general concept of agency comes with the intellectual perspective of social systems theory. The operational closure of social and psychic systems in communication and consciousness, respectively, leaves no room for the notion of non-human agency (for a different interpretation, see Schoeneborn, 2011). "[A]rtifacts have a big role to play in the communicative constitution of an organization. They *matter* a lot. They *count*. They display agency to the extent that they 'make a difference'" (Schoeneborn et al., 2014, p. 298). Artifacts do matter in social systems theory, too, but they are simply not attributed with (non-human) agency of their own. They enter communication only as a selection of (the form of) utterance. For example, communication may bear the information of a manager showing off a new product as evidence of the innovative powers of her organization. The product itself, however, does not entail any agency of its own, non-human or otherwise. It is not an artifact with the capacity to act on its own but merely an utterance of the innovation that the product stands for. In other words, the new product is a particular form of a language to describe the innovative powers of the organization.

### The Empirical Study of Agency in Social Systems

Following social systems theory, agency may only be observed in communication. Examples of explicit attributions of agency are the employment contract that grants decision rights to a manager or an organization chart where the chain of command singles out the role of leaders and followers. The employment contract is either referenced when the respective decision rights are contested or unclear, or it is maintained with every decision taken in its light. Examples of implicit attributions of agency are the introduction of a new product, the reference to a non-smoking sign, or decision rights that emerge over time in the continuous display of success in solving complicated problems by a member of an organization. In all three instances communication attributes a respective individual with agency for the next decisions to come in a network of communication.

Obviously, the empirical study of agency in a single communication event such as the introduction of a new product is anecdotal at best. Observing the perpetuation of decision rights in a network of communication yields a far more accurate and complete picture of distributed agency in social systems. Corporate documents, emails, and meeting minutes are examples of rich data sources that illustrate the structures and dynamics of organizations in great detail. The distribution of agency then shows in the network of communication where corporate documents, emails, and meeting minutes reference each other. Say, a first meeting yields a decision on the responsibilities of a manager. Subsequent meetings, emails, or corporate documents then invoke the decision made in that first meeting in order to question, refine, or simply bring the decision rights of the manager into effect.

## Discussion

The definition of agency as the attribution of decision rights to the communication roles of alter and ego has far reaching implications for organization studies. First, it de-centralizes the characteristics and behaviors of individuals and, instead, focuses on the roles that they take in communication, which introduces conflict in social systems in case individuals' conceptions of their own or others' agency and the attribution of agency to their own others' roles falls apart. Second, agency is contested with each and every communication event and distributed in a network of communication, which calls for a broader picture of social systems than the anecdotal display of agency can provide. Third and last, artifacts receive less attention since they do not possess non-human agency but merely provide communication with a vehicle for possible interpretations of human agency, among other negotiations of meaning.

The importance of the agency of the communication roles of alter and ego is particularly prominent as individuals participate in the communication of different social systems. A manager's agency may well reflect in the decisions of a company where she oversees the development of a new product, yet this agency is worthless when she and her husband decide to put put their children to bed early. Obviously, she must rely on her agency as a mother to persuade her kids to follow the family's decision.

In addition, social systems theory clarifies that there is no agency beyond beyond communication. Artifacts such as a new product, an employment contract, or a no-smoking sign are mere vehicles of decision rights without agency in and of themselves. The product carries the decision rights of the manager to display the innovative powers of the organization, the contract (more or less) explicitly ascribes decision rights to a manager, and the sign implicitly invokes decision rights of someone in charge of the area covered by the sign (e.g., the owner of a building).

Social systems theory offers a radically different concept of agency that may subsequently inform other concepts widely employed in organization studies. Leadership, for example, cannot be attributed to individuals any longer, but it must find resonance in the negotiation of agency in communication and between the communication roles of alter and ego. In the end, social systems theory always places the concept of agency in the realm of the communicative constitution of organization.

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