

**Thinking Outside the Box<sup>1</sup>**  
A Systems-theoretical Contribution to  
Critical Management Studies

**Antonia Langhof**  
Gottfried Wilhelm Leibniz Universität Hannover  
[a.langhof@ish.uni-hannover.de](mailto:a.langhof@ish.uni-hannover.de)

**Abstract**

The aim of the paper is to provide a conceptual theoretical framework based on systems theory that allows for analysing the interdependencies of the management discourse, the attractiveness of (certain) management ideas for (specific) organisations and the (unintended) consequences of their adoption by organisations. Therefore, the relation of societal discourse(s), in this case the management discourse, and organisations is elaborated theoretically. Systems theory offers both theoretical assumptions on semantics (and therefore discourse) *and* social structures (including organisations). In this case 'structure' refers to social phenomena beyond discourse and/or language. Furthermore the paper presents findings of empirical research on a specific discourse that is addressing the management of humanitarian aid agencies, the impact of certain management ideas on these organisations and the negative and unintended outcomes of their adoption and implementation in order to illustrate the (critical) potential of the conceptual theoretical framework. Although I will not claim a “critical impetus” (Amstutz/Fischer-Lescano 2013) of systems theory, I will illustrate how thick descriptions and differentiated analyses of social phenomena based on this approach contribute to socio-critical reflections. By “thinking outside the box” and introducing sociological systems theory to the Critical Management Studies I hope to enliven and encourage critical analyses of management ideas, their diffusion from the economic sector to other societal contexts by revealing negative consequences.

---

<sup>1</sup> Paper to be presented at the 8<sup>th</sup> International Conference in Critical Management Studies, July 10-12, 2013; Stream „Cynical? Constructive? Comfortable? Critical? – Rethinking the C in Critical Management Studies“; Convenors: Ronald Hartz, Matthias Rätzer, Elke Weik.

## 1. Introduction

The theoretical considerations presented in this paper are inspired by the empirical observation that specific management ideas originally deriving from the business sector became more and more relevant in the non-profit sector since the 1980s. Concepts such as “Knowledge Management”, “Learning Organisation” or “Customer Relation Management” for instance were transferred to schools, hospitals and public administration. Surprisingly some of these management ideas have even been applied to NGOs in the humanitarian aid sector in the 1990s. That is remarkable because these organisations in particular are known to be very sceptical about ideas and practices deriving from the business sector for political and moral reasons. But it weren't simply those ideas and concepts being in “fashion” (Abrahamson 1996) in the management discourse at a given time. Only some ideas were applied to specific societal contexts in management literature and adopted by organisations, others in turn remained disregarded. Hence two crucial questions arose: First, how could this phenomenon be explained? Second, can we observe (unintended) transformations in (organisations of) the non-profit sector, that come along with the adoption of ideas deriving from the business sector?

Therefore, a theoretical framework was required that allowed to integrate questions referring to (1) the diffusion of management ideas from the business sector to other sectors of society and (2) questions referring to the organisational adoption and implementation of these ideas as well as their (negative and/or unintended) effects. I will argue that sociological systems theory is an applicable approach to gain an understanding referring to these phenomena. With the theoretical distinction of semantics and social structure systems theory allows to analyse social discourses, including the management discourse, on the one hand side and social structure (including organisations) on the other. The central thesis of the paper is, that the resonance of specific management ideas in a certain social context depends on their connectivity concerning established semantics, the specifics of organisations' structures and self-descriptions as well as urgent problems and challenges organisations face.

Empirical research in the humanitarian aid sector showed that the adoption of ideas deriving from the business sector by non-profit organisations had unintended and negative consequences. As I will illustrate below, one of the most serious consequences was the extension of emergency relief at the expense of long time development assistance, apparently because of cost-efficiency reasons. Following their own arguments, this transformation has to be considered to be in opposition to the basic political and moral ideas and ideals of humanitarian aid agencies because “this kind of 'fast aid' often supports

the stabilisation of (global-) societal relations, which produce misery and interdependencies systematically“, as for instance medico international Germany argues (2013). The majority of aid agencies aims at sustainable solutions and a transformation of social structures. Based upon these empirical findings the contribution of a systems-theoretical approach to the Critical Management Studies will be illustrated, although systems theory as such is not really known to be a critical approach in a conventional sense.

## **2. Societal Diffusion and Organisational Adoption as well as Implementation of Management Ideas and Practices**

Management ideas and practices have been an object of (critical) research since the 1960s. Taylor's (1911) “principles of scientific management” shaped industrial production in the first half of the 20<sup>th</sup> century. But its negative effects on employees had soon become evident and had been analysed systematically mainly in the 1960s. In the 1970s and early 1980s industrial sociologists investigated “new production and labour concepts” (Kern/Schuhmann 1987) and described their “dark side, which is the rigid exclusion of (...) parts of the workforce“ (ibid.: 1). American new institutionalists critically reflected on basic premises of management by debunking formal structure as “myth and ceremony” (Meyer/Rowan 1977) and deconstructed myths of rationality in the late 1970s and early 1980s (DiMaggio/Powell 1983). Since the 1990s researchers in economic and business science also 'demystified' basic assumptions and practices of management. Authors like Huczynski (1993) and Abrahamson (1996) observed “fads” and “fashions” in management literature. Huczynski (1992) argued that management literature is more about belief than about scientifically informed knowledge and characterized management consultants as “gurus”. French sociologists like Boltanski and Chiapello (1999) analysed management texts published in the 1960s and 1990s and compared their underlying basic assumptions “on the 'new' world we are living in” (Boltanski/Chiapello 2005: 164), their issues at stake as well as their solutions to current problems. In their study they reconstructed how management literature succeeded in incorporating the criticism capitalism was facing and 'capitalized' it for its own ends. Referring to their empirical findings they mark essential changes in dominant value systems that express “a new spirit of capitalism”.

Thus, some authors were mainly interested in questions concerning the management discourse and the diffusion of management ideas and analysed the (rhetorical) characteristics of management texts and referred to management consultants as “fashion setters” (Huczynski 1992, 1993; Abrahamson 1996). Others – predominantly neo-institutionalists – highlighted the relevance of norms of rationality and progress that were decisive for the diffusion and adoption of management ideas (Meyer/Rowan 1977;

---

Meyer/Boli/Thomas 1997). They argued that managers adopt management ideas to give the impression that they are 'up to date' and conform to current norms of rationality. These approaches studied the linkage of societal diffusion and organisational adoption of management ideas. Unlike neo-institutionalists industrial sociology focused on the implementation of management practices and its negative outcomes.

Furthermore, approaches in organisation research that are often subsumed as “postmodern” approaches have to be recognized as another informative vein referring to the relation of discourse and organisation (for an overview see Grant et al. 2009) as well as problems occurring with the implementation of management ideas and tools. Authors have for instance highlighted the relevance of language and rhetorical specifics in organisations (Musson/Cohen 1999), for instance for a (successful) implementation of management tools (e.g. Vann 2004).

To sum up: on the one side, we have approaches focusing on societal discourses as well as institutional conditions and their relevance for the adoption of management ideas by organisations whereas on the other side we have approaches concentrating on the implementation of management ideas in organisations, its structural effects and negative outcomes. As this short overview shows, research on the diffusion, adoption and implementation of management ideas comprises many rich veins of theoretical approaches as well as empirical findings.

Indeed with a neo-institutionalist approach one can get a deeper understanding of the conditions affecting the diffusion of management ideas for example from the business sector to the non-profit sector and their adoption by organisations. However, it does not provide a theoretical framework to analyse the dynamics resulting from the implementation of management ideas and practices (with)in organisations. In contrast the question how institutional conditions influence the diffusion and adoption of management ideas, which is essential for neo-institutionalist research, had been mostly disregarded by industrial sociology. Whenever industrial sociologists focus on managers adopting management ideas they reduce the reasons to growing competitive pressures or changing structures of markets (from suppliers to buyer markets) etc., hence to operational problems of organisations and associated pressures of uncertainty. Aspects of symbolic communication and 'talk' (Brunsson 1989) and therefore questions of legitimacy, addressed by neo-institutionalists, remain disregarded. Due to its theoretical premises (agency theory) industrial sociology does not provide a theoretical apparatus to analyse the societal diffusion of management ideas and the conditions for their organisational adoption adequately. The asset

of this industrial sociological approach on the other hand is, that it allows for analysing the dynamics accompanying the implementation of management ideas. Postmodern approaches provide insightful empirical findings concerning issues of macro, meso and micro level discourse analyses. and are struggling with several problems. But they (still) struggle with theoretically differentiating these levels from each other. Society, organisation and interaction – it seems to be no difference. They do not systematically differentiate societal discourse(s) and organisational self-description(s) and they don't provide a theoretical conception to differentiate societal discourse(s) and organisation's self-description on the one hand side and social structure (in this case organisational structures) on the other. Furthermore, as Alvesson and Kärreman (2000) argue, “discourse is too frequently used in a vague and incoherent way and functions as a smokescreen for an unclear and ambivalent view on language” (ibid.: 1144f.). Thus, the difference of discourse and language remains theoretically unelaborated. At least, approaches referring to Foucault's conception of discourse primarily focus on power-knowledge relations and authority on the expense of other phenomena in organisations, i.e. structural changes that are momentous for an organisation but are not connected to power issues. Thus none of afore-mentioned approaches allows to answer questions of *diffusion*, *adoption* and *implementation* of management ideas as well as questions concerning their negative or unintended effects *at once*.

### **3. The Linkage of Societal Discourse(s), Organisational Self-description(s) and Organisational Structure: A Systems-theoretical Approach**

To integrate and theoretically consolidate the outlined diverse assumptions and empirical findings concerning the diffusion, adoption and implementation of management ideas another analytical framework is needed. As sociological systems theory allows to systematically differentiate (1) societal discourse(s) on the one hand side and organisation as specific form of social structure on the other and, referring to organisations, allows (2) for differentiating organisational self-description (e.g. 'talk') and organisational structure, we consider it an appropriate approach to answer the afore-mentioned questions.

The theoretical background that is referred to is based upon communication-theoretical assumptions and on the difference of social structure and semantics as it is conceptualised in Luhmann's systems-theoretical sociology of knowledge (Luhmann 1980; Stäheli 2000; Stichweh 2000). The very basis of this theory is an understanding of social systems (interactions, organisations and functional systems) as systems consisting primarily of communications<sup>2</sup> rather than actions. Social systems are conceptualised

<sup>2</sup> Communication here is not understood as some kind of 'exchange of parcels' of information from a sender to a receiver, „instead the communication takes place as he [receiver] interacts with his own cognitive framework“ (Hernes/Bakken 2003: 14). That is what self-reference is about.

as autopoietic, operationally closed and self-referential. They reproduce themselves by connecting communications to communications. All communications are part of society, be they produced and reproduced in interactions, organisations or functional systems. Thus, society is being reproduced by interactions, organisations and functional systems producing and reproducing communications. Communication is understood as a temporal event, that vanishes at the same moment when it arises. Therefore, social systems consist of elements that only exist temporarily. But how can these temporal communicative events be reproduced in social systems?

To reproduce themselves social systems need structures that determine relations between events within the system: "Structure presupposes self-maintenance and meaning" (Hernes/Bakken 2003: 12). Systems theory distinguishes two different types of structure, i.e. social and semantic structures (Stäheli 2000: 205). Whereas social structures refer to the operations of social systems and therefore to first order observation, semantic structures refer to the self-observation and self-description of society and therefore to second order observation. Systems theory assumes that semantics and social structure mutually influence each other. Semantics is understood as clusters of meaningful forms, patterns and differences that structure societal self-description. Hence Stäheli (2000) defines semantics as the „memory“ of society that provides patterns that allow selections of meaning in diverse situations. Semantics are available throughout society, i.e. in different social contexts, whereas social structure always refers to concrete operations of specific social systems. As a result semantics can also diffuse from one functional context to another. Systems theory also distinguishes semantics from language. Language is understood as a neutral 'medium' that does not interfere with the internal logic of systems using language (Stäheli 2000: 154). Following this theoretical perspective, language itself does not provide patterns or rules for the processing of meaning. This function is attributed to semantics. Semantics are contingent and they produce a variety of variations and forms that are only loosely coupled with social structures. Although, following Luhmann (1980), the *acceptance* of semantics is determined by social structures. The better specific semantics fit structural and operational conditions, the higher the degree of their acceptance within society.

In opposition to Luhmann, who assumes that changes in semantics follow changes in social structures in retrospect and are determined by social structures, other authors like Stäheli (2000) and Stichweh (2000) emphasize the recursivity of the relation of semantics and social structure. According to Stäheli (2000) the idea of a retrospective relation of semantics and social structure is considered too narrowly because semantics obviously have constitutive effects on social structures. Therefore, Stäheli as well as

Stichweh add two other alternatives to the idea of a retrospective relation: the relation has to be considered as 'constitutive', when semantics cause concrete practices of action. If semantic forms evolve before there are corresponding equivalences of social structures the relation is defined as 'anticipatory'. Whether the relation of semantics and social structure in a given case is characterised as anticipatory, constitutive or retrospective can only be answered empirically.

### ***Discourse(s)***

The adaption of Bora's ideas concerning the integration of 'discourse' into systems theory allows for theoretically defining precisely what shall be understood as e.g. the *management discourse*. Bora (2009) expands Luhmann's understanding of semantics by integrating the concept of 'discourse' into systems theory. According to a systems-theoretical perspective discourses are located on the level of semantics. Following Bora, discourse

“designates a form of internal differentiation in social systems (...) Such internal differentiation is produced by limiting communicative selections in social, temporal and substantive respect. These limitations govern the way of communicating within functionally differentiated systems. Thereby they furnish the interior architecture by constituting particular thematic preferences in the substantive dimension, particular role patterns or positions in the social dimension, and particular modes of sequencing in the temporal dimension. In other words, discourses are internally differentiated sets of cognitive and normative expectations with respect to legitimate themes, social positions, and rules of sequential conjunction” (ibid.: 5f.).

As Bora emphasizes, discourses do neither constitute autopoietic systems nor are they social systems themselves. They constitute elements “as appending to a particular discourse and its specific mode of communication” (ibid.: 6) and therefore limit selections of meaning. This idea is informative for (empirical) investigation of discourses because it specifies their communicative limitations. By dint of this theoretical specification a systems-theoretical approach expanded by Bora's concept of discourse allows to analyse societal discourses in this case the management discourse as well as social structures, here organisations, and to investigate their relation without equating one with the other.

Referring to this theoretical conception of discourse(s) it is possible to define precisely what shall be understood as the *management discourse*. Management discourse contains all communications that address the management of organisations. These can be texts like for instance management handbooks or (scientific as well as journalistic) articles, courses at business schools, or consultancy concepts. All of these can be understood as communicative constructions. The reproduction of the management discourse is guaranteed as long as communications addressing the management of organisations

connect to communications with the same topic. These thematically limited discourses can be empirically investigated to answer questions like for instance: How and when do specific ideas, arguments, practices and tools arise and connect to or replace others? What kind of semantics is characteristic for specific ideas and texts? How do structures of expectations like norms and values for 'good' management evolve, stabilize and are being abandoned? Thus, the debate on 'management fashions' (e.g. Abrahamson 1996) can be incorporated. Besides, crucial questions brought up by authors like for instance Boltanski and Chiapello (1999) concerning discursive changes of norms and values of 'good' management can be conducted. What are semantic characteristics, in terms of meaningful patterns and distinctions, that can be detected and to which social values and norms do communications refer to? Therefore, questions concerning the rhetorical specifics of management texts elaborated by authors like Abrahamson (1996), Huczynski (1992, 1993) or Eccles, Nohria and Berkley (1992) can be considered. Furthermore, one can elaborate what types of organisations (business organisations, schools, hospitals, humanitarian aid agencies etc.) are addressed, what are the problems that are addressed and what solutions are being suggested?

### ***Organisational Self-description and Organisational Structures***

With the difference of semantics and social structure systems theory provides an analytical framework to distinguish discourse from organisations and, moreover, to distinguish organisations' self-description from their structures. As mentioned before all forms of social systems need structures that determine relations between events within the system to reproduce themselves. We distinguished two different types of structure: semantic and social structures. Organisations are understood as a specific form of social structure. Their operative units of processing as in all social systems are communications. In contrast to functional systems and interactions organisations are characterized by specific forms of communications, i.e. *decisions*. However, „decision is not understood as a psychological mechanism, but as a matter of communication, not as a psychological event in the form of an internally conscious definition of the self, but as a social event“ (Luhmann 2003: 32). Everything the organisation treats as a decision has to be regarded as decision. Given that organisations like all social systems consist of disappearing events, they, too, have to solve the problem of reproduction, i.e. the “bridging of decisions” (ibid.: 39).

The function of bridging decisions here like in all social systems is fulfilled by structures. The structures of of organisations are structures of decision making: decisions “concerning how decisions are taken” (ibid.: 40). They are called decision premises. Besides, every organisation features



---

organisational self-descriptions. Organisational self-descriptions function as the memory of organisations. Self-description constitutes a “simplification of the system and this is also where its function lies. The simplified version of itself serves as orientation for its (re-)production” (Seidl 2004: 12). Self-description that coordinates organisations' self-observation is essential. Via self-observation organisations constitute themselves as self-referential systems as they decide what is regarded as a decision of the organisation and what is located outside of the organisation (environment). To ensure the organisation's reproduction of meaning selection (independent from individuals) it constructs (orally conveyed or recorded) texts concerning their history as well as their future. These self-descriptions coordinate corresponding self-observations. At the same time they restrict observations and limit the spectrum of connecting events.

In this context Kieserling (2004) pointed out that there are different kinds of organisational self-description: one that is constitutive for an organisation and several others, that are serving for representational and image purposes. Organisations use their constitutive self-description to assure consistency by referring to it in all their decisions and decision premises (Luhmann 2000: 417ff.). Constitutive self-description includes for instance documentation of decisions and decision making processes on the formal level as well as narratives and anecdotes as reconstructions of decision making processes on an informal level. Both are forms of archiving organisations' history of decision making. Self-description which serve for representational purposes are for instance mission statements, image brochures or homepages. This form of self-description also includes reform papers that refer to the future of an organisation. They usually contain ideas and plans for reforms without necessarily being connected with de facto decisions.

Language is 'only' understood as a neutral 'medium' that does not interfere with the internal logic of systems using language (Stäheli 2000: 154). Therefore, it is necessary to rely on the concept of semantics to understand and analyse the function of organisational self-descriptions for organisations. In their self-descriptions organisations use (contingent) societal semantics. They access society's memory and the distinctions it provides to describe themselves.

There are different sources of specific semantics organisations can access to describe themselves: First, functional systems do provide functional context specific semantics that organisations can use in their self-descriptions. Take, for instance, hospitals: Although they process decisions concerning payments, accounting etc. (which refer to the functional system of economy) most of their basic activities refer to

the health care system. Therefore, hospitals mainly use semantics typical for the functional system of health care and medicine in their self-description. Thereby they differentiate themselves from other types of organisations like commercial enterprises producing goods other than health care. Secondly, there are specific semantics that historically evolved with the differentiation of organisations as form of social systems (Kieserling 2004). These semantics are used by all kinds of organisations irrespective to functional contexts. Think for instance of concepts like 'goal' or 'hierarchy' (which has been rededicated to organisational uses). Among others it is science (e.g. organisation research) that produces external descriptions of organisations creating or rededicating specific semantics, that are being adopted by organisations subsequently. A third source of semantics that is obviously becoming more and more relevant is the management discourse addressing management issues in organisations.

Thus, not any available semantics can be plausibly integrated into the self-description of any organisation. As mentioned before self-descriptions function as the memory of organisations containing distinctions that are used in organisations' self-observations. Given that self-observation and decision are related to each other, self-descriptions will have – at least partial – effects on decision making in organisations. Thus, we can conclude that organisations do not use semantics arbitrarily. Not any semantics seem comparably plausible. Following systems-theoretical assumptions on the recursive relation of semantics and social structures we assume that the semantics an organisation chooses have to be compatible with an organisation's specific structures and processes. Therefore, it can be concluded that organisations' structures narrow the spectrum of feasible semantics. The other way around we can also assume that the choice of specific semantics is consequently narrowing the spectrum of what can be said and what can be expected to happen subsequently. In organisational contexts the impact of semantics on organisational structures can be assumed when specific semantics used in self-descriptions become relevant for organisational decision making.

Based on these theoretical considerations we assume that the resonance of specific management ideas in a certain social context depends on their connectivity concerning established semantics, the specifics of organisations' structures and self-descriptions as well as urgent problems and challenges organisations face.

### 3. Contribution of a Systems-theoretical approach to Critical Management Studies

Now, what exactly are the advantages of a systems-theoretical approach? The most substantial argument for a systems theoretical approach surely is its theoretical precision. Critical Management Studies could benefit from systems theory as a theory of society that includes an elaborated theory of organisations as well. That is advantageous in the following respects: First, society (functional systems) and organisation are conceptualised as two different forms of system formation, whereas society is the all-embracing social system. With a systems-theoretical approach one is able to distinguish society (functional systems) and organisation from each other as well as to theoretically conceptualise and empirically investigate their alternating relation. Secondly, this perspective allows for differentiating societal discourse(s) from organisational self-description(s) without putting them on the same level or even equating them. Based on this distinction their alternating relation can be framed theoretically and investigated empirically. Third, by distinguishing semantics from social structure one is able to specify them theoretically as two different forms of societal structures. Social structures always refer to the operations of social systems (e.g. function systems and organisations) whereas semantic structures refer to the self-observation and self-description of society. On this basis one is able to systematically investigate their specific relation empirically in a given context. Fourth, system-theoretical research on organisations as well as the relevance of (specific) discourse(s) for organisations is not restricted to issues of power and authority like for instance in research based on Foucault. However, within a systems-theoretical framework they can be investigated as well as all other organisational phenomena. Referring to the relation of organisations and societal discourse(s) it is left to empirical investigation to answer questions concerning a linkage of discourse(s) or knowledge and power. Thus, systems theory could contribute to the Critical Management Studies by providing an adequate theoretical concept of 'discourse(s)' and, furthermore, of 'organisation' that is not provided by other approaches for instance those based on Foucault's work.

In the next section I will present some of the findings of my empirical research on the impact of management ideas deriving from the business sector on the humanitarian aid sector and aid agencies as well as its consequences to illustrate and accentuate the contribution of a systems-theoretical approach to Critical Management Studies.

#### **4. The Active 'Self-contamination' of Non-profit Humanitarian Aid Agencies with For-Profit Management Ideas and its Unintended Consequences**

As mentioned before, the theoretical considerations presented above are related to the empirical observation that specific management ideas originally deriving from the business sector became more and more relevant in the non-profit sector since the late 1980s. Particularly interesting in this context was the abrupt rise of texts addressing the management of non-governmental humanitarian aid agencies at the beginning of the 1990s. Ever since, the number of handbooks and journal articles like for instance „Non-Governmental Organisations – Performance and Accountability“ (Edwards/Hulme 1995), „Development and the learning organisation“ (Roper/Pettit/Eade 2003), „NGO management“ (Edwards/Fowler 2004) or „The management of non-governmental development organizations“ (Lewis 2007) was growing.

In the literature the increasing interest in management issues at that time is usually explained by exponential changes in this societal sector. Above all, authors identify a growing complexity concerning political, economic as well as cultural conditions in the humanitarian aid sector. Besides an expanding competition for public and private funding was observed. Alongside with these problems new challenges for the management of humanitarian aid agencies occurred (Hodson 1992). Thus, aid agencies had to deal extensively with issues of professionalisation and reorganisation (Salm 1999). But apparently they did not just do so on the level of debate and discourse: „Many NGOs (...) have taken on aspects of the current commercial zeitgeist, beginning to act as if they were corporations engaged in the world of commerce“ (Dichter 1999: 52), thus „management and corporate financial strategies have been translated or adopted in whole cloth fashion by NGOs“ (ibid.).

That is a surprising and unexpected phenomenon, especially because, following their self-descriptions, they are generally sceptical about ideas deriving from the business sector and they often criticise the growing 'economisation' of their work. Therefore, practitioners in humanitarian aid state that ideas, concepts and practices aiming at economic efficiency and effectiveness are generally not adequate and useful for aid agencies. Organisations point out that neither emergency aid nor long term development assistance can be planned in detail beforehand and be measured by economic criteria of rationality like for instance cost efficiency. Non-governmental organisations in this sector always stress the social character of humanitarian aid as well as the importance of a human relationship between aid-givers and aid-receivers. Aid agencies therefore do not focus on temporary emergency relief but on long time programmes aiming at sustainable solutions. Thus, they aim at reducing social inequalities as well as at

changing societal (power) relations. Their work is politically motivated and targets social change. Nevertheless, cursory readings show that texts addressing the management of non-governmental humanitarian aid agencies in almost every case relied on ideas originally deriving from the business sector. Even more surprisingly, evidence had been found in the literature that obviously humanitarian aid agencies willingly adopted ideas deriving from the business sector (Dichter 1999; Wallace 2000).

These (apparent) inconsistencies raised the following issues: (1) What can the resonance of economic management ideas and practices in the humanitarian aid sector be attributed to? Especially in this societal sector, where economic profit is not intended and where an economisation of humanitarian aid is generally criticised and often refused for moral and political reasons. (2) If the resonance is not limited to the management discourse but can also be observed in organisations, what consequences can be detected in humanitarian aid agencies?

To answer these questions I conducted empirical research<sup>3</sup> in the humanitarian aid sector based on the theoretical framework presented above (Langhof 2008, 2009, 2012). Referring to the system-theoretical assumption of a recursive relation of semantics and social structures we assumed that not any management ideas diffuse into a specific social context (like for instance the humanitarian aid sector) and will be adopted by organisations located in this context. Management ideas have to be connectable to established semantics and social structures of a specific societal context as well as to the established self-descriptions, structures and current problems of organisations in a given context. Furthermore, the systems-theoretical considerations lead us to the assumption that the adoption of management ideas would not remain without consequences in organisations. In consideration of these theoretical assumptions even the resonance of economic management ideas in the humanitarian aid sector may not seem that surprising any more. One would presume that the resonance of specific management ideas deriving from the business sector is attributed to semantic and structural specifics as well as to changes in semantics and/or structures in the humanitarian aid sector.

The reconstruction of historical changes of semantics and social structures from the colonial era until today allows first insights into the origins and the history of humanitarian aid and development assistance. Two semantic key concepts – *progress* and *intervention* – were identified as having heavily influenced

---

<sup>3</sup> Research included (1) the analysis of management texts addressing management issues in humanitarian aid agencies published between 1990 and 2007, (2) explorative qualitative case studies in four German aid agencies including interviews with CEOs and (3) an in-depth qualitative case study in one of these organisations including interviews with half of the staff, a group discussion with all of the group directors and a systematic analysis of documents.

structural transformations in this societal sphere since the colonial era (Ziai 2006; Schetter 2010). *Progress* as a semantic concept is based on the normative idea of being worthy of aspiring and therefore includes many positive semantics like for instance *civility, modernity, development, change, (economic) growth, innovation, improvement* etc. Thus, as Bloch (1970) pointed out, progress is one of those semantic concepts that appear to be exceptionally bright and their meaning seems so clear and simple at the same time, that there are no questions left (ibid.:7). Furthermore, analyses showed that progress as a semantic concept has always been tightly coupled with semantics like *knowledge, education* and *learning*. These semantic concepts had a great influence on social structures. Ever since the beginnings of missionary work that included the establishment of schools, the improvement of educational opportunities has been a key issue in development assistance being propagated and implemented by governmental as well as non-governmental organisations. From the colonial era until today *intervention* has been another key concept that had a great influence on social structures. In the beginning it was the churches with their missionary work, later on it were colonial policies implemented by the colonial rulers. Since the end of colonialism interventions are implemented among others via development assistance. Not only had progress always been regarded as desirable, but it was assumed as well that progress could be induced, influenced and controlled. It was assumed that progress could be expedited by *interventions*. Organisations had always been regarded as central for the implementation of interventions.

Specific changes following the (implementation of) ideas of 'global governance' in the late 1980s and early 1990s had a great influence on the resonance of specific management ideas in the humanitarian aid sector. An intensive analysis of the global governance concept showed that it combines political ideas, goals and norms like democracy and constitutional legality with assumptions on how organisations should be managed. Thus it contains political ideas as well as management ideas. The global governance concept emphasizes the relevance of civil society and therefore NGOs in this societal sector for the implementation of political efforts to accelerate progress. Thus, these management ideas had also been suggested to these organisations. As NGOs embraced most of the political ideas of the global governance concept, they heavily supported its implementation. Thereby they actively promoted the adoption of management ideas included in the global governance concept as well, even if this may have not been intended.

Additionally, the active 'self-contamination' had been supported by aid agencies in another way as well. Systematic analyses of management texts addressing management issues of humanitarian aid agencies published between 1990 and 2007 showed that these were *not* written and published by management

---

scholars or consultants as neo-institutionalists might have expected. Surprisingly the authors in almost every case were (former) staff members of humanitarian aid agencies. Furthermore, these texts had often been published by or in cooperation with humanitarian aid agencies. Findings also showed that the transferability of ideas and practices deriving from the business sector to humanitarian aid agencies were discussed critically in these texts. However, authors did not develop ideas, concepts and practices based upon their professional background and knowledge and tailored to really suit NGOs' organisational structures and requirements. Instead, economic concepts and practices like "Learning Organisation" and "Total Quality Management" were adopted and transferred to NGOs in the humanitarian aid sector.

But why these of all concepts? First of all, and at first glance, these concepts do not only address management issues of business organisations but rather of all kinds of organisations. Second, their references to economic issues like cost-efficiency and profit maximising are comparatively latent, therefore they even seem to fit NGOs that do not aim for economic profit. Third, their semantic specifics are apparently connectable with aid agencies' self-conceptions and self-descriptions. That obviously increases the probability of acceptance. Aid agencies describe themselves as actors of civil society. The concept of civil society contains a set of values which forms the basis for NGOs' work. Even the formal structures and decision-making processes of relief and development NGOs are often based on values of the concept of civil society as there are e.g. solidarity, tolerance, participation and non-violence. For instance their participatory decision-making processes are a perfect example for the structural realisation of participation as part of the concept's set of values. One value included in the concept of civil society seems to be especially relevant for the attractiveness of "Organisational Learning" and that is education. Education is seen as an essential medium to convey the values of civil society. Therefore, many NGOs like e.g. *terre des hommes* support and implement education programmes always emphasizing the relevance of education for development. The semantic concept of learning used in the management concept of "Organisational Learning" fits the semantics and values typical for the concept of civil society NGOs rely on in their self-description and in their structure. The literature that addresses problems concerning the management of relief and development NGOs adapts central ideas of Peter Senge's (1990) concept, as there is e.g. the idea that organisations should be task-oriented with decentralized, flexible units and teams built around pieces of work for which they are jointly accountable (Taylor 2004). This idea of governance perfectly fits NGOs claim for participatory decision-making processes.

And, last but not least, concepts like “Learning Organisation” apparently suggest solutions that seem to fit urgent operative and structural problems of humanitarian aid agencies. Due to a growing enthusiasm for civil society since the 1980s NGOs have been increasingly taking over obligations traditionally performed by government agencies. Along came several advantages for them – amongst them the possibility to apply for public fundings for their work and parts of their overhead costs. The other side of the coin was an increase as well in number and size of NGOs in the 1990s which led to a keen competition among them (Jamali 2003). Besides NGOs saw themselves confronted with rising expectations of public donors concerning transparency, efficiency and effectiveness of their work (Foreman 1999). NGOs often complain that public donors measure the quality of emergency relief and development assistance projects according to technical and economic standards. The social character of the projects seems more or less irrelevant. At the same time many organisations are highly dependent on public funding. So they have no choice but to fulfil donor's requirements e.g. concerning the increase of professionalism, transparency, efficiency and effectiveness. As humanitarian aid agencies and their staff heavily engage in the management discourse addressing management issues in humanitarian aid agencies they obviously support (intended or not) the transfer of ideas, practices and criteria deriving from the business sector to the humanitarian aid sector. As they are trusted as legitimate agents of NGOs' interests, they actively abet their adoption by aid agencies.

Case studies I conducted in my empirical research in humanitarian aid agencies showed that they did not only incorporate the diagnosis of problems as well as solutions provided by specific management concepts into their self-conception and self-description on the level of 'talk' to meet expectations of actors in their environment and therefore gain legitimacy as neo-institutionalists approaches might assume. As findings showed their adoption evidently had far-reaching consequences concerning organisations' structures and processes and therefore had a great impact on organisations' decision-making. In one case a quite paradoxical process of implementation had been observed, that I will call an “unintended implementation” of the “Business Process Reengineering” concept. Due to financial problems at the beginning of the 1990s the supervisory board of the aid agency called in a consulting firm that is primarily specialising in consulting business organisations. One of the solutions suggested by the consultants was to reorganise the organisation according to the concept of “Business Process Reengineering” in the version of Hammer and Champy (Hammer/Champy 1993). The chief executive officer (CEO) found that this would be a “fascinating idea” (quotation CEO), but it could not be implemented at that time because of many other urgent issues. Therefore, the implementation was postponed for the time being. Further analysis of empirical material however showed that the problem diagnosis of the



“Business Process Reengineering” concept influenced the decision-making processes of the organisation heavily and unfolded an extensive dynamic.

The suggestions of the consulting firm already provoked diverse conflicts and skirmishes of authority and competence in the organisation. Even though the CEO postponed the implementation of “Business Process Reengineering” some of the basic assumptions of the concept and therefore meaningful patterns and distinctions influenced the problem perception of the organisation. The organisation's problem perception suddenly focused on “tasks that are carried out by several units of the organisation at the same time” (quotation staff member), “unclear responsibilities” (quotation staff member) as well as the “flow of information top-down and vice versa” (quotation staff member). Staff called for solutions suggested by BPR, i.e. to “clearly define processes and tasks” (quotation staff member) or to “formalise operating processes” (quotation staff member). Further analysis of the empirical material showed that staff members connected these problem diagnoses with specific values like economic efficiency, improvement and optimisation. Hence, by focusing on the business processes of the organisation and the patterns of problem-solving of BPR, the reorganisation was linked with money issues.

The numerous conflicts resulted in a large scale change of staff and therefore had far-reaching unintended structural consequences. In a very short period of time the organisation lost a lot of expertise and knowledge about the organisation's decision-making processes as well as of co-operations with other organisations. The compensation of this loss cost a lot of time and therefore money because personnel changes were followed by several structural changes, i.e. changes in the department structure. All that severely affected (the quality of) the work of the organisation. Instead of improving the organisation's cost-efficiency, the adoption of BPR caused financial losses. These findings illustrate the effects of (changes in) self-descriptions based on management ideas.

However, these were not the most dramatic effects of the (intended as well as unintended) implementation of the advice of the consultants. Even more problematic were changes in the main focus of the organisation's work. Consultants suggested that the organisation increased its activities in short term emergency relief and therefore reduce activities in long time development assistance. Emergency relief has the 'advantage' that applications for funding do not take as long and are not as complex as those for long time development assistance projects. Being cynical one could assume that emergency relief allows for 'quick returns'. However, increasing emergency relief produces other problems for aid agencies. Emergency relief is characterised by speediness concerning applications for (public and private) fund-

ing as well as being present in regions hit by disasters. That implicated several challenges for the organisation because its personnel resources were not sufficient and its co-operations with other organisations are not adequately meeting this requirement. Instead of solving the organisation's crucial (financial) problems, increasing emergency relief activities provoked additional problems. In the end, the suggested solutions targeting issues of cost-efficiency turned out to be a naïve fallacy.

The increase of emergency relief at the expense of long time development assistance is even more critical with respect to other consequences. In their self-description NGOs in the humanitarian aid sector explicitly aim at changing social conditions in order to reduce poverty, human distress and social inequalities. Therefore, humanitarian aid can not be limited to a short term provision of goods and medical services like emergency aid but has to focus on sustainable solutions implemented via development assistance projects, it is argued. Emergency relief does not provide sustainable solutions to overcome poverty and powerlessness. It does not aim at social change. If organisations change their strategies and increase emergency relief on the expense of development assistance programmes because of cost-efficiency reasons they undermine their own goals and ideals. If this praxis comes out on top in the humanitarian aid sector due to (temporary) financial constraints of aid agencies, humanitarian aid would face large-scale socio-political changes. Humanitarian aid would run the risk of being reduced to „extinguishing fires“ in case of disasters instead of changing social structures to overcome poverty, human distress and interdependencies. And this is exactly what humanitarian aid agencies criticise(d) vehemently in the first place, as we pointed out in the first section of the paper (p. 2). In the end, humanitarian aid agencies' active 'self-contamination' with for-profit ideas might (temporarily) ensure their self-preservation but finally, however, they are 'betraying' their own ideals.

## 5. Conclusion

In this paper I tried to contribute to Critical Management Studies by investigating the interdependencies of the management discourse, the attractiveness of specific management ideas and the (unintended) consequences of their adoption by non-profit organisations in the humanitarian aid sector. On the basis of my empirical findings I explored the critical potential of systems theory even though the approach itself does not have a critical impetus. Nevertheless it allows for theoretically precise and thick descriptions of empirical phenomena and therefore revealing specific (problematic) social changes. The aim of the paper was to provide a theoretical conceptual framework that allows, first, for *differentiating* societal discourse(s), organisational self-description as well as organisational structures and, second, for

investigating their *alternating relation* without equating them. Thus, a systems theoretical approach provides a framework that allows for differentiated analyses.

## Literatur

- Abrahamson, Eric 1996: Management Fashion. In: *Academy of Management Review* 21(1): 254-285.
- Alvesson, Mats/Karreman, Dan 2000: Varieties of discourse: On the study of organizations through discourse analysis. In: *Human Relations* 53(9): 1125-1149.
- Amstutz, Marc/Fischer-Lescano, Andreas 2013: Einleitung. In: Amstutz, Marc/Fischer-Lescano, Andreas (eds.): *Kritische Systemtheorie. Zur Evolution einer normativen Theorie*. Bielefeld: transcript: 7-10.
- Bloch, Ernst 1970: Differenzierungen im Begriff Fortschritt. Es gibt Worte, die an sich selber besonders hell wirken... Zu diesen Wörtern gehört in vorderster Reihe der Begriff Fortschritt. Frankfurt a.M.: Suhrkamp.
- Boltanski, Luc/Chiapello, Ève 1999: *Le nouvel esprit du capitalisme*. Paris: Gallimard.
- Boltanski, Luc/Chiapello, Ève 2005: The New Spirit of Capitalism. In: *International Journal of Politics, Culture, and Society*, 18 (3-4): 161-188.
- Bora, Alfons 2009: Systems Theory, Discourse, Positionality – Towards a better understanding of the interior architecture of functional differentiation in sociological Systems Theory. URL: <http://www.uni-bielefeld.de/soz/personen/bora/pdf/Bora-Vortrag-Semantiktagung-englisch-2009-03-18.pdf> (accessed: 11.6.2013).
- Brunsson, Nils 1989: *The Organization of Hypocrisy. Talk, Decisions and Actions in Organizations*. Chichester: Wiley.
- Dichter, Thomas W. 1999: Globalization and its Effects on NGOs: Efflorescence or a Blurring of Roles and Relevance? In: *Nonprofit and Voluntary Sector Quarterly* 28(4), Supplement: 38-58.
- DiMaggio, Paul J./Powell, Walter W. 1983: The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields. In: *American Sociological Review* 48: 147-160.
- Eccles, Robert G./Nohria, Nitin/Berkley, James D. 1992: *Beyond the Hype: Rediscovering the Essence of Management*. Boston, MA: Harvard Business School Press.
- Edwards, Michael/Fowler, Alan (eds.) 2004: *NGO Management*. London: Earthscan Publications.
- Edwards, Michael/Hulme, David (eds.) 1995: *Non-Governmental Organisations – Performance and Accountability. Beyond the Magic Bullet*. London: Earthscan Publications.
- Foreman, Karen 1999: Evolving Global Structures and the Challenges Facing International Relief and Development Organizations. In: *Nonprofit and Voluntary Sector Quarterly* 28(4), Supplement: 178-197.
- Grant, David/Iedema, Rick/Oswick, Cliff 2009: Discourse and Critical Management Studies. In: Alvesson, Mats/Bridgman, Todd/Willmott, Hugh (eds.): *The Oxford Handbook of Critical Management Studies*. Oxford et al.: Oxford University Press: 213-231.
- Hammer, Michael/Champy, James 1993: *Reengineering the Corporation: A Manifesto for Business Revolution*. New York: Harper Business.
- Hernes, Tor/Bakken, Tore 2003: Introduction: Niklas Luhmann's Autopoietic Theory and Organization Studies – A Space of Connections. In: Hernes, Tor/Bakken, Tore (eds.): *Autopoietic Organization Theory. Drawing on Niklas Luhmann's Social Systems Perspective*. Copenhagen et al.: Copenhagen Business School Press et al.: 9-22.
- Hodson, Roland 1992: Small, Medium or Large? The Rocky Road to NGO Growth. In: Edwards, Michael/Hulme, David (eds.): *Making a Difference. NGOs and Development in a Changing World*. London: Earthscan Publications: 127-136.
- Huczynski, Andrzej A. 1992: Management Guru Ideas and the 12 Secrets of their Success. In: *Leadership & Organization Development Journal* 13(5): 15-20.
- Huczynski, Andrzej A. 1993: Explaining the Succession of Management Fads. In: *The International Journal of Human Resource Management* 4(2): 443-463.
- Jamali, Dima 2003: NGOs in Development: Opportunities and Challenges. In: *Labour and Management in Development Journal* 4(2):1-18.
- Kern, Horst/Schuhmann, Michael 1987: Limits of the Division of Labour. New Production and Employment Concepts in West German Industry. In: *Economic Industrial Democracy* 8(2): 151-170.

- Kieserling, André 2004: Selbstbeschreibung und Fremdbeschreibung. Beiträge zur Soziologie soziologischen Wissens. Frankfurt a.M.: Suhrkamp.
- Langhof, Antonia 2008: "Ich habe gerne ein gutes Produkt, das ich vorzeige" – Zur Managementisierung der humanitären Hilfe. In: Hessinger, Philipp/Wagner, Gabriele (eds.): Ein neuer Geist des Kapitalismus? Paradoxien und Ambivalenzen der Netzwerkökonomie. Wiesbaden: VS: 235-257.
- Langhof, Antonia 2009: Reformdynamiken in humanitären Hilfsorganisationen: "Wer zahlt denn jetzt 'nen Jumbo-Jet, um die sechs Turnhallen voll Teddys nach Südafrika zu fliegen?". In: Wetzel, Ralf/Aderhold, Jens/Rückert-John, Jana (ed.): Die Organisation in unruhigen Zeiten. Über die Folgen von Strukturwandel, Veränderungsdruck und Funktionsverschiebung. Heidelberg: Carl-Auer-Systeme Verlag: 125-147.
- Langhof, Antonia 2012: Managementkonzepte in humanitären Hilfsorganisationen. Zum Verhältnis von gesellschaftlicher Semantik und (Organisations-)Struktur. Doctoral Dissertation, Universität Bielefeld, Faculty of Sociology (unpublished).
- Lewis, David 2007: The Management of Non-Governmental Development Organizations, 2. Edition. London/New York: Routledge.
- Luhmann, Niklas 1980: Gesellschaftsstruktur und Semantik. Studien zur Wissenssoziologie der modernen Gesellschaft. Bd. 1. Frankfurt a.M.: Suhrkamp.
- Luhmann, Niklas 2000: Organisation und Entscheidung. Opladen/Wiesbaden: Westdeutscher Verlag.
- Luhmann, Niklas 2003: Organization. In: Hernes, Tor/Bakken, Tore (eds.): Autopoietic Organization Theory. Drawing on Niklas Luhmann's Social Systems Perspective. Copenhagen et al.: Copenhagen Business School Press et al.: 31-52.
- medico international Germany 2013: Emergency Relief. URL: <http://www.medico.de/en/themes/relief/documents/emergency-relief/1168/> (accessed: 15.6.2013).
- Meyer, John W./Boli, John/Thomas, George 1997: Ontology and Rationalization in the Western Cultural Account. In: Thomas, George/Meyer, John W./Ramirez, Francisco/Boli, John (eds.): Institutional Structure. Beverly Hills: Sage: 2-37.
- Meyer, John W./Rowan, Brian 1977: Institutionalized Organizations: Formal Structure as Myth and Ceremony. In: American Journal of Sociology 83(2): 340-363.
- Musson, Gil/Cohen, Laurie 1999: Understanding Language Processes. A Neglected Skill in the Management Curriculum. In: Management Learning 30(1): 27-42.
- Roper, Laura/Pettit, Jethro/Eade, Deborah (eds.) 2003: Development and the Learning Organisation. Essays from Development in Practice. Oxford: Oxfam.
- Salm, Janet 1999: Coping with Globalization: A Profile of the Northern NGO Sector. In: Nonprofit and Voluntary Sector Quarterly 28(4), Supplement: 87-103.
- Schetter, Conrad 2010: Von der Entwicklungszusammenarbeit zur humanitären Intervention. Die Kontinuität einer Kultur der Treuhandschaft. In: Bonacker, Thorsten et al. (eds.): Interventionskultur. Zur Soziologie von Interventionengesellschaften. Wiesbaden: VS: 31-47.
- Seidl, David 2004: Luhmann's Theory of Autopoietic Social Systems. In: Münchner betriebswirtschaftliche Beiträge, Munich Business Research 2004(2). LMU München. URL: [http://www.zfmg.bwl.uni-muenchen.de/files/mitarbeiter/paper2004\\_2.pdf](http://www.zfmg.bwl.uni-muenchen.de/files/mitarbeiter/paper2004_2.pdf) (accessed: 8.6.2013).
- Senge, Peter M. 1990: The Fifth Discipline: The Art and Practice of the Learning Organization. New York et al.: Doubleday Currency.
- Stäheli, Urs 2000: Sinnzusammenbrüche. Eine dekonstruktivistische Lektüre von Niklas Luhmanns Systemtheorie. Weilerswist: Velbrück.
- Stichweh, Rudolf 2000: Semantik und Sozialstruktur: Zur Logik einer systemtheoretischen Unterscheidung. In: Soziale Systeme 6(2): 237-250.
- Taylor, Frederick W. 1911: The Principles of Scientific Management. New York/London: Harper & Brothers.
- Taylor, James 2004: On the Road to Becoming a Learning Organization. In: Edwards, Michael/Fowler, Alan (eds.) 2004: NGO Management. London: Earthscan Publications: 347-352.
- Vann, James L. 2004: Resistance to Change and the Language of Public Organizations: A Look at "Clashing Grammars" in Large-Scale Information Technology Projects. In: Public Organization Review 4: 47-73.
- Ziai, Aram 2006: Zwischen Global Governance und Post-Development. Entwicklungspolitik aus diskursanalytischer Perspektive. Münster: Westfälisches Dampfboot.