Municipal management cooperation: Managing multiple rationality organizations

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Abstract

Multiple rationality organizations are characterized by the simultaneously incorporation of different kinds of logic and control systems. They have to provide not only for efficiency but also to comply with e.g. ideal of fairness, sportsmanship, equal rights, and aesthetic values. Elite sport clubs, theatres, and several municipality activities are examples of organizations that have to cope with multiple rationalities. These organizations are often governed through a combination of political and administrative control systems. They cope mainly by decoupling activities and reinterpret the situations but this often leads to paradoxes.

Keywords: multiple rationality, municipal management, organizations, cooperation

Introduction

Multiple rationality organizations are characterized by simultaneously incorporating different kinds of logic and different types of control systems. They are supposed to act efficiently on a commercial market and, simultaneously, act efficiently to obtain e.g. idealistic social, cultural, or artistic values. Their activities are often, at least partly, financed by public subsidiaries. Examples of such organizations are sport clubs, theatres, and several municipality activities.

Through the commercial logic the purpose of an organization is to make a profit by supplying what certain predefined groups of customers demand. If these demands are not met, customers are supposed to turn to a competing organization. With commercial logic, survival and growth may be regarded as the key values. Related to this commercial logic is a set of ideas about administrative control based on theories of management and leadership where consensus, specialization, and instrumental rationality are key values.

Through the idealistic logic the purpose of the organization may be to pursue and develop aesthetic and social values and to foster “good” citizens. Related to the idealistic logic is generally some form of political control through procedures of democracy where different norms and values are debated. This political control is supposed to reflect the different and often conflicting views of the citizens so, through elections, the executive boards will normally consist of groups of non-specialists with conflicting values and with legitimacy as their key value.

A common idea is that organizations cannot live with large differences between different sets of logic and control systems. In such situations organizations tend to decouple activities to attend to the various types of rationalities involved (cf. Weick 1976). Although different management concepts tend to impose conformity at a general level, they also tend to be reinterpreted at the local level. This combination of local decoupling and reinterpretation lead to opposing tensions – i.e. paradoxes (cf. Brunsson 1989, Czarniawska 1998). Therefore, an organization that has to provide for efficiency in its commercial sense and simultaneously have to comply with idealistic values (e.g., fairness, sportsmanship, equal rights, and aesthetic values) would be expected to decouple activities and to sequentially attend to the various types of rationalities involved. Through this, they may cope with some of the paradoxes
embedded in the multiple rationalities. However, this way of coping may lead to further paradoxes.

The purpose of this study is to investigate the difference between practice and theory of leadership and management in such multiple rationality organizations and to explore some of these paradoxes. In the first part of the paper is an account for some theories related to various aspects of management and leadership, and it ends in a brief summary as a frame of reference. The second part is data from interviews with leaders in some multiple rationality organizations. In the third part some conclusions are drawn about the paradoxes embedded in multiple rationality organizations.

Theories on cognitive aspects of management

Creation of order, moral values, and social structure

The core of organization theory is rooted in the functionalistic paradigm according to Burrell & Morgan, 1979. Therefore, it may be related to the question of the influence from structure on organizational performance and efficiency. One of the first systematic works in this area was made by Weber (1947) who defines an ideal model of rational/legal bureaucracy as based on rational principles, backed by legal sanctions, and existing in a legal framework. Weber's model of bureaucracy involves a hierarchy of authority and responsibility, a systematic grouping of activities based on training and expertise, and the integration of performance by formal rules. These principles of management focus on the cognitive aspect of management as creator of order and are still salient features of most formal organizations.

Another influential work on cognitive aspects of leadership is by Barnard (1938). He argues that organizations by their very nature are cooperative systems organized to achieve common goals, and that formal organizations create informal organization to maintain personal integrity and selfrespect. Although organizations basically are co-operative there are sometimes conflicts, and they may be overcome by indoctrination of the general purpose. Barnard regards this as an essential part of the role of the leader. He also emphasizes the moral aspect of leadership and defines morals as personal characteristics that tend to inhibit, control, or modify immediate impulses. An essential cognitive aspect is that all executive positions imply complex morality and requires the faculty of creating moral values for others. Selznick (1957) has further developed this view as he argues for a change from administrative management to institutional leadership. Administrative organizations are guided by formal systems of rules, regulations and goals - i.e. consciously co-coordinated activities - while institutions are natural products of social needs - where control is exercised mainly through the impact on values. Selznick argues that every organization needs an institutional leader to define mission for the organization, to protect moral values, and to create a social structure that allows its values, competence, and role to survive.

Different value environments

Meyer & Rowan (1977) distinguish between two kinds of value environment: technical and institutional. In a technical environment the organizations produce service or products on a market and they are mainly evaluated in relation to their result. In an institutional environment the complex rules and patterns of the society are social realities into which the organizations have to be fitted. They must follow these rules to receive legitimacy and support. Organizations, in an institutional environment, may be perceived as rationalized myths because they mainly conform to widely held beliefs (Czarniawska, 1998). They are formed, not so much by instrumental rationality related to the result, but by social rationality, i.e. social and cultural pressures to conform to social beliefs. Organizations acting in an institutional environment (where evaluation of an organization
is based on structure and process - not result) often try to handle conflicting requirements by trying to decouple their socially imposed formal structure from their operational structure or technological core (cf. Weick 1976). In this way they appear to conform to the conventional institutional pattern at a high organizational level while they may have a quite different organization at the work floor level. This decoupling between organizational levels means that the social conventions are not fully implemented, and the organizations achieve a certain amount of autonomy in their actions. Furthermore, organizations operating in institutional environment are likely to use social measures of efficiency, i.e. validation through consensus or authority.

According to Meyer & Rowan (1977) the institutional environment is perceived to "capture" or dominate organizations within its domain. Pfeffer & Salancik (1978) offer a somewhat different view. They argue that, since organizations must make exchanges with environment to obtain services, power and resource related dependencies are created. In this process organizations can actively determine their own faith by the selection of their exchange partners - i.e. an organization may, to some extent, choose its environment. The task of executives is, therefore, regarded to include the managing of both the organization and its environment.

Role conflicts between leadership and management

Generally, both managing and leadership roles are needed in an organization. Kotter (1990) distinguishes between management and leadership by saying that the role of management is to create stability, order, and predictability while the role of leadership is to create change or the ability to change. He maintains that although both roles are needed in an organization, leadership and management roles can easily conflict unless some kind of coordination is introduced. Management roles may be co-coordinated through formal structure and integrated plans. However, for the coordination of leadership roles is needed something more flexible and adaptive than formal structure - something more informal, spider web-like. Kotter suggests that leadership roles may be co-coordinated by "thick networks" - i.e. networks of informal relations between people who share common values and know each other well.

Creation of meaning through social processes

Hosking & Morley (1991) emphasizes the organizational processes such as action, interaction, and relations. Organizing is perceived as a social process where individuals and their environment mutually influence each other. The social reality is created and reproduced through this social interaction. Organizing processes are primarily regarded as means to create meaningfulness and are continuously renegotiated among different actors. Through negotiations the creation of meaning is accomplished and from that, the creation of social order. As pointed out by Deetz (1992) the meaning is, however, not static but constantly formed and reformed through the interaction between individuals in an organization. It may be perceived as a contextually dependent bargaining process. In every organization there are certain established "game" rules and they channel actions into certain (often ritualistic) patterns (cf. Stacey, 2001) This means "taken for granted" situational settings that may both facilitate or hamper activities. Instead of regarding the organization as a fix autonomous identity, the identity is perceived as a product of social and cultural processes creating multiple, temporary and loosely coupled identities that simultaneously occur in the organization.

Foucault (1980) maintains that identity is created through the practices that are communicated between people. This communication is based on knowledge codified into discourse and this
discourse is continuously remolded and reproduced. In the mutual influences between knowledge and communication, power relations are introduced through sanctions and rewards

**Sensitivity to the unpredictable**

Contrary to the functionalistic ideas of stability, Kiel (1994) describes complex systems as being characterized by dynamic, chaotic, and unpredictable behavior. This apparent disorder, in a system, is not per see a sign of malfunctioning; it may as well be a sign of adaptation to changes in the environment. The main features of a complex system are non-linearity, non-average behavior, and sensitivity to the initial conditions.

Nonlinearity means that a small change in one variable may produce a disproportional effect in another variable (cf. the "butterfly" effect, Holland 1995). From a cognitive management point of view it may e.g. mean that a minor policy change might lead up to a general strike. A main task for the manager is to identify such "leverage points".

Complex systems are non-linear and therefore not easily described in terms of average behavior (i.e. normally distributed or regular). Breakdowns are generally caused by non-average events – so called critical incidents. Such non-average events may serve as a source for organizational learning through the identification of alternative futures. From a management point of view it may e.g. mean that the creation of stable control systems may spoil the conditions necessary for organizational learning (Senge 1990).

At such leverage points, the initial conditions determine how a situation will develop. So, what may look like similar situations may not respond in the same way to a certain problem solution. From a management point of view this means that the same structural changes – to remedy the same perceived problems – may have very different effects in different organizations. This also means that structural changes might not bring about the intended process changes. Organizations should, therefore, be perceived as dynamic systems and to increase performance, managers have to investigate the "roots" of the value producing processes (Kiel 1994).

**A frame of reference**

**Cooperation**

In functionalistic theories of leadership the evaluation of an organization in an institutional environment is based on its structure and processes more than its result. Evaluation is mainly done through consensus or through authority. In an institutional environment, social and cultural pressures form organizations in order to conform to social values and beliefs. However, in an institutional environment that largely consists of other similar organizations they have a choice in the selection of exchange partners. Through this selection and through e.g. joint consultation and indoctrination they may influence, or even form, their own environment. They may also seemingly adapt to the environment at the organizational level but not fully implement it at the workfloor level (i.e. through loose coupling).

In an institutional environment, both leadership and management are needed to establish the goal and to integrate individual efforts into cooperation. Achievement efficiency is related to both the formal system of rules and regulations (i.e. through bureaucracy and management), and through the impact of values and development of ideologies (i.e. through leadership).

**Cognitive aspects of management and leadership**

Some of the more salient cognitive aspects of management and leadership may be summarized as follows:

Defining the mission: Leadership is considered to primarily handle the creation of meaning by defining the mission or role of the organization. Simultaneously, the mission or role may, however, constantly be recreated and negotiated through social and cultural processes at all levels within an
organization. Therefore, the processes related to the definition of the mission and the "strategic" decisions – (i.e. the how, when, and where) may be filled with opposing tensions or paradoxes.

Developing ideology and asserting values. An essential part of leadership is the development of ideology and the assertion of values – mainly through indoctrination processes. Simultaneously, multiple loosely coupled ideas are created through social and cultural processes at all levels within an organization. Hence, the assertion and survival of values and competence may be subject to opposing tensions.

Moral commitment: Leadership means, among other things, to function as a role model and, from this point of view, the moral commitment in words and in actions plays an important part. Moral commitment may, however, hamper the development of values and the continuous creation of identity and thereby cause opposing tensions.

Creation of predictability and handling of uncertainty: The role of management is primarily considered to instigate the POC-routines (planning, organizing, and control) to create predictability, structure, order, and social stability. The main purposes of these routines are to reduce uncertainty and to induce power relations. At the same time these routines hamper the ability to evolutionary learning and diminish the capacity to handle uncertainty and through this, opposing tensions may develop.

The municipality administrative organization

Empirical material

In the following the different aspects from the frame of reference will be further penetrated through some empirical examples from a municipality organization. As examples of multiple rationality municipality organizations was chosen a Social Welfare department and a Culture and Leisure Department. In this study four chief administrators were interviewed. The interviews were conducted as open conversations, guided by questions related to defining the mission; developing ideology and asserting values; Moral commitment; Creation of predictability and handling of uncertainty. In the analysis of the interviews some quotations were found to be especially enlightening and these are presented below.

Defining the mission

In principle the politicians decide the goals and the administrators make it work. Theoretically the politicians have a leadership role and the administrative chiefs have management roles. However, the politically formulated goals are usually very broad, and need to be elaborated on. Actually, the administrative chief suggests the goals to be chosen and the formulation is some kind of interpretation of political intentions. In reality the different political and administrative roles seem to be mixed up. Although politicians are seldom involved in management, it is apparent that the administrator usually is as much involved in the goal formulation as the politicians. The situation is not without problems. It seems to work only if there is a mutual understanding and trust, based on common values.

"Actually, as administrative chief I have great opportunities to act according to my own opinion, although the politicians have the final say. Of course, it is important that I put forward good proposals. The administrative chief must be able to convince the politicians. If there is a clash of values it will not work at all. Of course, politicians are, by definition, opposing each other according to party lines. But, that is mostly theory. All political parties agree to the basic part of the departments work. The differences are mainly about minor parts and in the daily work this is no real problem."

"As a chief you must realize that many ways are equally right - but it is hard to work with something you feel is totally wrong. If you have not worked out some consensus basis (with the politicians)
there are all kinds of trouble through misunderstanding and suspicion. We use to have meetings where we discuss what may come up in a certain work area and try to establish a policy. We suggest principles and actions based on them. It may differ on details but in the end we usually find something we all can agree to. This is a fairly new approach. With the earlier political board there were no such discussions. At that time the board did not trust the administration and for the most part we worked in spite of the board, and not with the board."

The political board is supposed to govern through general goals but the administrators usually suggest these goals. There seems to be no actual decoupling between goals and activities. Instead political goals seem to be reinterpreted into feasible administrative terms or alternatively the political control seems to be decouples.

Developing ideology and asserting values

An essential part of management is to make the goals clear to everybody in the organization. Those goals are not merely about what to achieve. They are also about how goals are achieved - and by whom. The institutionalization and indoctrination of values seems to be achieved mainly through participation, i.e. members of the organization are "invited" to participate in activities somewhat outside their ordinary work.

"It is important that everybody is aware of what direction we are aiming at. However, the important thing is not only what we achieve, but also how we do it. Take for instance the libraries. Earlier the customer should be quiet, and it was a grace if he were allowed to borrow a book. Now we want to be regarded as a place to meet and an information centre - open and delivering good service."

"As chief I must stress the importance that we are also engaged in activities that are outside our normal work. However, sometimes it is difficult to judge if a certain activity really is part of our task. It is the politicians who have to decide if it is within our goals. The administrative chief just gets it done - but of course he or she is usually the one who suggests the projects in the first place."

"A few well-motivated members usually handle the odd activities - (i.e. outside normal work). It is a problem to make everybody realize that what they do is equally important, and that it all adds to the total performance, or total perception, of the department. Quite often you convince them by bringing in the members that have special competence and make them take part in the activities. Making people go along is easy if we give them an opportunity to participate at an early stage - before the plans are set. Later they usually resist the ideas or at least they do not feel any responsibility for the result."

What is pursued is generally not broad political values but values related to individual administrators who reinterpret their task according to their personal idiosyncrasies. Meaning seems to be created as the activities go along and is reinterpreted in the participation of the creation of informal networks.

Creating moral commitment

It seems to be acknowledged that the behavior of an administrative chief is of utmost importance as a benchmark for others. What the administrative chief is doing, is interested in, or takes part in, is regarded as the moral standard for the rest of the organization. It may be noticed that what politicians do, seems to have no such implications.

"The good example is important. What the chiefs do is what counts. Therefore, the chief has to be cautious to the point of being boring. If something goes wrong he or she must go in and "sort it out" or "help out". Even if the help in reality does not make much difference, the others will work 150% when they feel that the boss is involved."

"The members of the organization must feel that they truly are part of the organization and not abandoned by a chief who puts his energy into
meetings with "important people" outside the department."

"For most members in the organization it is important that the chief sees them, and to know that he cares about them or at least shows some interest in their work."

Creating predictability and handling uncertainty

For a department in a municipality the immediate environment consists of other municipal departments. The most important of these other departments are, of course, the central municipality office. Through this office the municipality board conveys its guidelines to the various specialized political boards and departments. In principle the municipality board and the central office are supposed to have a combined role of management and leadership towards the various departments. However, in this case the central office seems very absorbed by its administration of management techniques.

"The relations to the central municipal office are easily described. The important thing is to have all papers in good order, and to deliver them at the scheduled time. Of course there is sometimes a conflict when the job requires your undivided attention. Then it feels rather pointless to produce papers for the central office."

"It would be pleasing if the value of the information demanded was compared with the cost to produce the information - but I never heard a word about that kind of economic evaluation. At least some of the information may be of value to someone, but you do not know and it all feels like occupational therapy. Apart from this obsession for curious information there is no problem with the central office. They do not interfere or disturb the work in any way. Actually, they don't seem to care as long as we don't disturb them."

The central municipality office organized a compulsory management course and all administrative chiefs had to participate in this course. The purpose was to instigate an official management system and a common language in the communication between the different departments in the municipality. For a while these simple management techniques seemed to be pro-moted to dogma. However, the initial indoctrination into odd vocabulary and cumbersome practices soon faded away.

"They conducted the management course in a way that made most participants reluctant - and even hostile to the message. It felt like being back at school in the beginners’ class where they assume that you do not know anything at all. Its main message was POLC, i.e. planning, organization, leading, and control. Actually, the emphasis was on planning and control. However, in the end it hurt nobody, and it changed nothing. There are ready-made forms to fill in when we plan some actions - but that is all. Of course, if you had no earlier experience as chief or manager of any kind, it may have been of some use. A special terminology was used in the course, but it is not used in the daily work and does not coincide with the notions generally used."

At least for some time the central office tried to enforce values of bureaucracy and formal control as the one and only accepted leadership method. Conflicting views were met by indoctrination. The indoctrination was not followed through and, as a result, the different departments do not feel the burden of central directives as heavy. In fact, what happened was that the departments, through this emphasis on management, felt they have gained freedom to act as they pleased without much concern for the rest of the municipality.

Conclusions

Defining the mission

The administrators suggest the mission to the politicians and elaborate on the definition of what goals to pursue. Within the administrative organization there is a continuous negotiation on goals at all levels. This goal formulating activities are haphazard processes, often with incompatible
results, both between goals and between the different departments. Such goals that initially may have been formulated by the politicians are reinterpreted and reformulated until they comply with the negotiated result by high-level administrators. Strategic decisions are often made as consequences of such negotiations more than through conscious considerations. Whatever the decisions, they are further reinterpreted at lower levels within the organizations until they can be incorporated into the administrated praxis at those levels. This reinterpretation at different levels within the organization makes the outcome rather unpredictable.

In theory politicians are supposed to act as leaders while the chief administrators are supposed to act as managers. In reality this distinction between politicians as leaders and administrators as managers may not cause any problem. Although the price paid for this is that the roles are mixed up in a way that makes them hard to separate. There is, of course, generally some consensus and some basic agreement on the task – but essentially it is the administrators that interpret the mission and this means also the reinterpretation of “unsuitable” political ideas. The paradox here is that the political board’s leadership mainly seems to be led not so much by the managers but by the low level administrators.

**Developing ideology and asserting values**

Development of ideology and values is usually not a conscious process. Instead, development is often due to personal idiosyncrasies and through “after dinner” discussions in informal networks – as a kind of social leisure activity.

An essential feature seems to be the assertion of values through indoctrination by doing – both in the sense of letting organization members participate – and to make visible the good example of what the chief administrators are doing. Tasks are interpreted and enacted on by individual administrators. When they are thoroughly established they may be incorporated as parts of the politically established goals. In theory the political control is supposed to enforce the idealistic logic behind the activities of a municipal organization. In praxis the idealistic logic is not developed through political control and the administrative control is not based on commercial logic. Instead the focus is on leadership techniques and they are developed to increase efficiency in accordance with the commercial logic – but an ironic paradox is that when they are transformed to the idealistic logic the idea of efficiency seems to vanish.

**Creating moral commitment**

The views of the high-level administrators are of crucial importance. What they seem to value and their behavior establishes the norms for the lower levels of the administration. Although a politician in general and particularly the chairperson is the formal leader, their behavior and their values seems to be of little consequence to the rest of the organization i.e. decoupling between political and administrative parts of the system.

**Creating predictability and handling uncertainty**

Predictability is accomplished through rituals – primarily the budgeting processes and the fixed scheduled decision meetings (bimonthly). Stable and good relations to the environment (mainly other politically governed organizations) is achieved through loose coupling – actually, the good relations seems to be upheld mainly through avoiding any contact with them.

**Final remarks**

It may well be that there is needed some contingency balance between management and leadership roles. In the present situation it seems that the inclination towards management techniques allows the various departments to decouple not only their “technical core” but also the whole department. This seems to be due to mixed up roles, indoctrination by doing, and week links to the institutional environment.
A conclusion is that the idealistic logic does not primarily seem to be guided by political control – but the administrative control is not guided by the norms of efficiency related to the commercial logic. The focus is neither on efficiency, nor on ideology, instead it is on management techniques.

With the focus firmly turned to management techniques and little concern for efficiency it is no wonder that multiple rationality organizations tend to be easy targets for new management concepts. At present there seems e.g. to be a tremendous interest in and demand for management concepts as e.g. downsizing, business process reengineering, total quality management, lean production, and purchaser-provider models. As organizations highlight the new ideas of organizing or try some of them they discredit the past ideas and practices. These new ideas are then institutionalized and made to underline new routines and at the same time the old routines are made to look “out of fashion”. These new management ideas do not generally emerge as a result of inventive manager behavior. They are instead cultural commodities deliberately produced by fashion setters to be marketed to fashion followers (cf. Abrahamsson 1996). Moreover, management fashions are usually created to comply with commercial logic (c.f. Brunsson & Hägg 1992). Therefore, it seems to be an ironic paradox that when management fashions are brought into multiple rationality organizations the core of the commercial logic (i.e. the idea of efficiency) seems to get lost.

A further paradox is that there is a lack of tradition to lead and organize complex municipal organizations. It is a relatively new expansion. The commercial logic is much older and it has been used as a role model. Attempts to transfer the ideas to the municipal sector have been successful in some branches like sewage, road and park departments but not at e.g. culture or social departments. The cultural requirements are missing and this leads to clashes and paradoxes.

To develop leadership competence means to identify those norms and values, that fosters these paradoxes. Especially the copying of mechanisms emanating from commercial logic may for some activities be reasonable and for other activities be quite wrong.

References


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