

Public managers as multi-rational managers

Propositions on the effective management of multiple rationalities

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Summary

The increasing blurring of the borders between government and non-government organisation forms in the provision of public services leads to new types of organisations. More and more, however, hybrid forms emerge in which there are not only clashes between different interests but also between differing rationalities. This paper focuses on the permanent phenomenon of multiple rationalities in hybrid organisations and attempts to structure it. In doing so, it develops a semantics for the observation and discussion of multiple rationalities on whose bases further conceptual debates can be conducted.

Key Words

hybrid organisations; multiple rationalities; pluralistic organisations; institutional logics

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Introduction

With the increasing significance of the guarantor state, more and more hybrid forms have been developed for the provision of public services. Although government remains responsible for the provision of public services, it may commission or motivate others to engage in such service provision. The public management literature has discussed such “collaborative government” solutions under a variety of headings: public-private partnerships (Deakin, 2002; Torres & Pina, 2001; Ysa, 2007), networked government (Considine & Lewis, 2003; Kickert, Klijn, & Koppenjan, 1997) and contracting (Bryntse & Greve, 2002; Smith & Smyth, 1996). To begin with, it was assumed that such hybrid organisation forms were superior to classic government. However, an increasing number of researchers found that such organisation forms also result in problems caused by the institutional differences between the partners involved (Klijn & Teisman, 2003). In the longer term, serious conflicts are the rule rather than the exception, particularly after original personnel constellations have changed and there is no interpersonal trust left to mediate between objective differences.

This article focuses on the conflicts latent in hybrid organisations and complements the list of possible explanations with a further perspective: that of multiple rationalities. We will argue that in hybrid organisations, various rationalities exist which compete against each other in concrete decision-making situations and thus impair joint decision-making. There is frequently no awareness of these multiple rationalities, with the consequence that members of an organisation ascribe such conflicts to different causes, which means that suitable measures will not be introduced. In the long term, this can severely compromise an organisation’s decision-making and action capacity.

In this paper, we will elucidate the theoretical background of the concept of multi-rational management and provide an explanation of it. We hope that in doing so, we will furnish a concept for the further analysis of hybrid organisations in the public sector that sheds light on the opportunities and conflicts of “collaborative government”.

Multiple rationalities

Since the term “rationality” has been used in very many theories and concepts in the course of time, it has lost any clear semantic contours. It is therefore elementary for this paper that the term can again be associated with a clearly demarcated concept.

The notion of rationality is often equated with decision-making and action driven by reason. It symbolises a critical analysis of the decisions and actions of individuals, but also of groups. From our point of view, rationality is not a purely individual but a collective phenomenon: what is rational is not decided by individuals but by a collective, namely the social group (Cabantous, Gond, & Johnson-Cramer, 2010). The question as to whether a decision is acknowledged to be rational can therefore only be answered from the social group’s perception. Then again, an individual is part of this group and is thus involved in its processes of rationalisation. If a decision is recognised to be “logical” within the framework of this continuous interaction, it is deemed rational – and constitutes a building block in the construction of this social group’s rationality.

For the further discussion, the term rationality must first be defined in the way that we will employ it: rationality is a specific way of thinking, speaking and acting which in itself makes logical sense. This logical sense is part of a consequentiality, i.e. it results from an expected end/means relation. Our definition of rationality, then, is first of all a purposive rationality in Weber’s sense of the term: I am able to justify my actions as rational by pointing to their intended consequences.

At the same time, a social group’s or a subsystem’s rationality is the *construction logic* of its own reality and thus acts as a filter for how it perceives its environment (Schedler, 2003). One and the same

stimulation emitted by the environment is filtered and interpreted in different ways by the various sub-systems of an organisation and thus construed as a different reality. This means that there is no “objective” reality which could fulfil a mediating function between the systems to provide a basis for a shared understanding of these realities, which are as different as the way in which they are construed.

Whether a decision or an action is acknowledged as rational is revealed by whether an individual succeeds in explaining the decision as logically consistent to their “peer group”. The assessment of this explanation is done on the basis of the meaningful basic assumptions, fundamental premises, conditions and perspectives implicitly regarded as a matter of course by the peer group. The peer group itself is a community of action which, as a rule, is characterised by the fact that its members pursue a common goal.

This explanation provided to the peer group and the latter’s implicit or explicit reaction to it is an act of *rationalisation* (Weick, 1995) and of the development of rationality. It is fundamental for the continual reconstruction of a social group’s rationality. In other words: when my peers keep on acknowledging my actions as rational, they confirm our shared reference model of “rationality”. This continuous interaction transforms a rationality that has been acknowledged once into a permanent construct that is regarded as given by individuals (Berger & Luckmann, 1996).

Now it could be argued that an action that is only rationalised after the event need not be recognised as rational. It can also be a simple gut decision. If the components of time and dynamism were not taken into consideration, this would of necessity be the case. If, however, dynamism is again taken into account as one of the aspects of recurring similar action situations, then it becomes clear how rationality affects action: at the moment of action, the actor is aware that he will have to explain his action to the peer group in a way that results in it being acknowledged as rational. For this reason, he will exclude any options for action that cannot be explained in rational terms right from the start – which paves a path for the rationality in the peer group. A social group’s rationality creates a certain dependency of daily action on certain paths.

In the early days of organisation theory, the idea was predominant that decisions in an organisation were the result of an economically rational balancing-up of pros and cons. Assuming that they are in possession of all the information, actors in an organisation always opt for that variant which promises the greatest (economic) benefit to them. An organisation’s structure and strategy are therefore the result of an economically rational weighing-up of different alternatives. This assumption, however, was soon cast into doubt. Simon (1997), for instance, emphasised that in practice as opposed to theory, decision-making processes in organisations are characterised by diverse restraints: actors do not have all the information, and they are unable to process existing information comprehensively because they lack time and capacities. This results in decisions which are of limited rationality (“bounded rationality”) and which follow a logic of appropriateness rather than pure economic rationality. Cohen, March and Olsen (1972) propound more extreme arguments with their *Garbage Can Model*, where they interpret decision-making processes in organisations as a contingent confluence of differing streams whose outcome could not be predicted. Although these approaches call the idea of purely rational decision-making into question, they take over the definition of rationality in an organisation as an economic reality (Thurmaier & Willoughby, 2001). Whatever is not economically rational is regarded as a bounded rationality (Siegel, 2008; Simon, 1997) or even as irrational (Brunsson, 1985, 2006; Cohen et al., 1972). Only in this way can the idea that there is only one single rationality in an organisation be salvaged (Weick, 1979).

The fact that there are rationalities other than the economic one, however, was the object of scientific work much earlier on. Diesing (1962), for example, describes five differing rationalities, each of which leads to different decision-making behaviour. This was also adopted in organisation research, although to begin with it was assumed that a balanced organisation has to have *one* (or at least one

dominant) rationality. Prahalad and Bettis (1986) emphasise in their research into strategic management, for instance, that it was a management task to prescribe a “*dominant logic*” to an organisation, which should be optimally adapted to this organisation’s environment.² Early neo-institutionalist organisation theory also basically assumes the presence of a dominant logic (called “*institutional logic*” here), which emerges owing to an organisation’s adaptation to its institutional environment. Research first focused on the processes of change of this institutional logic and on the organisation’s defence strategies (“*strategic responses*”) against such changes. (Oliver, 1991).

Hybrid organisations in the public sector

In the more recent literature, the situation of multiple rationalities under the roof of one single organisation is often described in terms of a hybrid organisation. This concerns organisations which typically work between the logics of market and government and between competition and hierarchy (Vincent-Jones & Harries, 1996). Karré (2011) makes a distinction between different possible types of hybrid organisations, which can emerge from differing governance types: state, market and communities. “Hybridity refers to heterogeneous arrangements, characterized by heterogeneous arrangements, characterized by mixtures of pure and incongruous origins, (ideal)types, ‘cultures’, ‘coordination mechanisms’, ‘rationalities’, or ‘action logics’” (Brandsen, van de Donk, & Putters, 2005).

Hybrid organisations are not new in the scientific discussion. It is striking, however, that a very topical debate has been conducted of late, which also has stronger theoretical foundations. The literature is often characterised by neo-institutional approaches and discourses on various organisations: public administrations which put internal services for others out to tender (Vincent-Jones & Harries, 1996), non-profit and civil-society organisations (Brandsen et al., 2005; Hasenfeld & Gidron, 2005; Minkoff, 2002), commercial micro-finance organisations (Battilana & Dorado, 2010), joint ventures and construction consortia lasting several years (Boland, Sharma, & Afonso, 2008). Other topics under examination include the interaction of mission-driven and market-driven values, the political activities of social institutions, but also the clash between differing interests and cultural preconditions, as well as the new identities emerging in the organisation as a consequence (Meyer & Hamerschmid, 2006a, b). This makes it obvious that the term “hybrid organisation” is not clearly defined and that a variety of different foci can be construed under the term. Hybridity per se is a broad term. What we consider to be central is that as a rule, hybrid organisations combine

- different worlds of meaning with their own logics and value structures,
- different, often not easily compatible objectives pursued by the working groups,
- different institutional fields (environments) and stakeholder groups, and derived from that, different legitimization requirements,

within the same organisation.

Although leading organisation researchers like Karl Weick (1979) pointed it out early on, it is primarily thanks to the research into organisations at the interface between government and the market that internationally publishable organisation theory is beginning to part company with the idea of mono-rational organisations. In this connection, Denis et al. (2007) speak of *pluralistic contexts* – interestingly, against the background of strategy research – which are characterised by the following properties:

² However, Prahalad (Pralahad, C. K. 2004. The Blindness of Dominant Logic. *Long Range Planning*, 37(2): 171-179) later acknowledges that this also results in a reduction in perception, which blanks out peripheral ideas.

- a. They have to deal with different stakeholder groups, each of which makes different legitimate demands on the organisation. This results in a multiplicity of objectives, which may also contradict each other.
- b. Within an organisation, factual power is distributed among various persons and instances rather than being concentrated on one single person or body.
- c. A majority of working processes are based on knowledge, which means that the knowledge typical of each of the various sub-groups in an organisation is of great significance for the organisation's overall success.

This description makes clear that hybrid organisations differ a great deal from mono-rational organisations. This must have an effect, in particular, on the way in which decisions are made where a hierarchically dominated strategy formulation is unlikely to prove successful. Traditional ideas of cascading goals to be derived from a strategy defined by management may well be very difficult to implement in hybrid organisations.

In the German-speaking area, the systems theory drawn up by Luhmann (1984) and his disciples constitutes an important school of thought in the field of management and organisation. Systemic organisation theory (e.g. Simon, 2009) uses this system construct as one of its bases, which provides it with an extremely strong analytical grid for the existence of multiple rationalities in society, but also within organisations.

Zauner et al. (2006), for example, examine the effects of the transition from a subsidy system to a performance-agreement system on service providers, in this instance non-profit organisations in the field of social security. They adopt a systemic perspective and demonstrate that in the relevant context of NPOs, there are now subsystems that approach the organisation with different demands (cf. the parallels with the pluralistic concepts described above).

The new element here is not this context with the different subsystems, but the fact that the system of social security is no longer bound to define an NPO's dominant rationality. Rather, further rationalities emerge into an NPO's everyday life in the course of time: in direct terms, this is public administration, which thanks to the control exerted through a performance agreement assumes the mantle of the purchaser and is thus accorded a defining power in the field of social services. Services are no longer defined as problem-oriented aid but as "cases" (as viewed in economic terms). Indirectly, politics also gains influence on the service side, which in the framework of the reforms has indeed been intended, thus becoming a system-relevant environment system. At the same time, an NPO's services are standardised, which allows for comparisons to be made between NPOs and paves the way for potential situations of competition (Tuckman, 1998). In turn, this means for an NPO that it will have to respond to this dramatic increase in the complexity of its environment. According to Zauner et al., this leads to typical fields of tension, i.e. an open, problem-centred mission vs. client- or case-centred administration; with regard to funding, money for good deeds vs. money for cases; with regard to human resources, voluntary work vs. employed staff; etc. (Zauner et al., 2006).

This can be summarised in a short formula: the increase in the complexity of institutionalised expectations of an organisation leads to their hybridisation, which in turn means that it will become a multi-rational organisation on a permanent basis. More and more such organisations can be found in practice, which means that the question of the management of hybrid organisations assumes a high degree of relevance.

If we look at public organisations (administrations, institutes and enterprises) through glasses tinted with the approach of hybrid organisations, it quickly becomes clear that strategic decisions are typically multi-rational in an overwhelming majority of these organisations. Modern administration accommodates both an economic and a political rationality and, as a rule, also the more or less pronounced

rationality of that profession which deals with the “core business” of an administrative unit. This can be made clear with the help of the example of a university, which *simultaneously and permanently* harbours greatly differing rationalities, which find their reference systems in their social subsystems:

- Research (and teaching) are dominated by the rationality of science: the logic of finding truth; in this logic, for example, the university guarantees freedom of research and teaching.
- The control of a university, provided it is exerted by the state, is dominated by the rationality of politics: the logic of majorities; the university undergoes an annual budget process, has concluded a performance agreement with the government or is supervised by a strategy organ made up of representatives from politics.
- Issues of non-discrimination against students and university members are dominated by the rationality of law: the logic of lawfulness; for instance, the university establishes an appeals procedure for examination grades.
- Competition for the best talents among teachers and students is dominated by the rationality of the economy: the logic of organisations that have to survive on the market; the university makes available a context in which the actors (students, teachers) are able to maximise their individual benefit.

Time and again, such multi-rational situations lead to problems in decision-making (cf. further below) and in implementation. Lipsky (1980), for example, in his *Street-Level Bureaucracy Theory* shows under what circumstances the implementation of political targets encounters resistance at the basis of the administration: unclear target definitions, scarce resources, great pressure from the case handler’s clients and a great deal of identification with the problems dealt with, result in a situation whereby targets are not, or only seemingly, implemented. To put it differently, a street-level bureaucrat works in a professional (social) rationality which is typical of his task and for which certain political targets are meaningless, illogical or irrational and which are therefore unable to trigger off any relevant reactions in his own system.

In their analysis of budgeting processes at the level of US-American states, Thurmaier and Willoughby (2001) come to the conclusion that here, too, greatly differing rationalities clash and that it would be erroneous to assume that budgeting processes are strictly based on an economic or political rationality. In this way, the authors do not only cast doubt on the one-sided orientation towards an economic rationality but also argue that budgeting processes are not purely political processes. Rather, it has to be assumed that the reasons for the differing rationalities have to be weighed up with regard to every decision. In this context, they explicitly mention the economic, the political and the social or legal rationality: “Together, the principles of order embodied in legal, political, and social rationalities produce social integration and social decisions that enable social actions.” (Thurmaier & Willoughby, 2001)

The necessity of multiple rationalities

Organisations are engaged in a continuous exchange with their relevant environment. They legitimise themselves and their survival by adapting to their stakeholders’ institutionalised expectations in the relevant field. The more highly mono-rational an organisation’s relevant environment is, the simpler it is for the organisation to adapt to changes as they occur. However, not all changes in expectations are automatically accepted. In her trail-blazing paper, Oliver (1991) shows the strategies by means of which enterprises can react to changes in the expectations of their relevant environments. The bandwidth ranges from the adoption of new practices, for instance through imitation, adaptation or compliance, to the manipulation of the institutional environment in order to avoid change. What is striking in

Oliver as well as in other neo-institutionalists, however, is an implicit assumption of the dominance of a rationality – the discussion of the multiple rationalities within an organisation and of their advantages for the organisation is short-changed.

As we have seen, hybrid organisations are permanently exposed to pluralistic contexts. They are called upon to legitimise themselves in different environments which occasionally confront the organisation with contrary expectations. In order to do justice to the different worlds, hybrid organisations establish internal subsystems, each of which communicates with a specific functional system of the environment (cf. Fig. 1). It is only through this coupling that an organisation is able to safeguard the legitimisation necessary for its survival. However, this results in a situation whereby the different environments' contradictory expectations are now carried into the organisation. It is now the management's task to preserve the organisation's coherence and thus to ensure decision-making and action capacity.

The example of a social NPO demonstrates this: the management system communicates with the principal, in the latter's language, about the efficient and effective fulfilment of tasks, management accounting and customer requirements. At the same time, the social workers (the street-level according to Lipsky, 1980) communicate with their clients, in the latter's language, about measures they are supposed to remedy in social terms, and they communicate with their professional colleagues, in their own professional language, about approaches to measures and their effects. If we summarise the organisation as a whole and analyse all the statements it makes to the various groups, then we inevitably detect contradictions which are deliberately accepted. It is for this reason that Brunsson speaks of an "organisation of hypocrisy" (Brunsson, 1989).

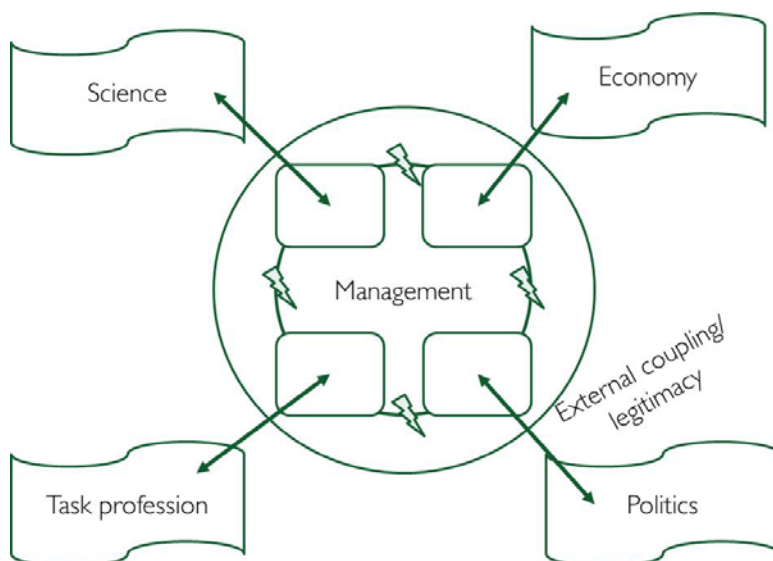


Fig. 1: Coupling of organisational subsystems with the functional systems of their environment

The maintenance of several rationalities within an organisation is well founded in a pluralist concept. As we have shown, systems are only capable of processing information from their environments if this information makes sense within their own system rationality (Willke, 1996). Whatever fails to make sense is blanked out and ignored. In this way, the system may well achieve the desired reduction in complexity that is necessary to keep itself alive, yet it does so at the expense of considerable blind spots in the perception of its environment. As such, this is not dramatic as long as the organisation's survival only depends on *one single* environment. If, however, an organisation is called upon to communicate and to detect changes in several environments, then it is unable to remain mono-rational. A blind spot in one of its relevant environments may lead to a disaster. A hospital which exclusively

takes its bearings from its medical environment and therefore permits a dominant medical rationality to mould its decisions, is highly likely to blank out the economic figures resulting from performance-related funding (flat-rate payment). A university which exclusively takes its bearings from its members' research output and neglects its contacts with the practical world of work in the process, will react too late if government research funds become scarce and private third-party funds become necessary for the university's survival or if the government, in its capacity as the proprietor, asks for more contributions to the development of the region in which the university is located. If the only thing that counts for at the university is what is published in scientific journals, then dealing with issues of regional politics or being involved in academic self-administration does not make sense – these issues are then the blind spots of the (mono-rational) “research university”.

These examples reveal that multiple rationalities are absolutely necessary in a complex environment. They may be cumbersome and repeatedly lead to point-blank emotional conflicts in an organisation, but there is no getting away from them. In pluralistic organisations decisions, discussions and arguments can no longer be placed in the bipolar categories of “rational” and “irrational”; rather, they must always be taken into consideration as “differently rational”. The questions arise: How does an organisation react to permanent multiple rationalities? How can the management of a pluralistic organisation fruitfully deal with these multiple rationalities? These are the questions we would like to look into in the next section.

Conflicts

If differing rationalities exist in an organisation or a PPP, this usually manifests itself in conflict situations that emerge in concrete decision-making. As long as the various subsystems in an organisation are able to work for themselves, there is no necessity for them to align themselves with others. As soon as a decision is required, however, which simultaneously concerns several subsystems with differing rationalities, the differences come into their own.

This can best be illustrated with the help of an example. In a public hospital, an 80-year-old woman is diagnosed with cancer. Treatment would require expensive chemotherapy. Now a decision has to be made whether in view of the patient's advanced age, this should still be applied or not. This affects differing rationalities, which now clash in this concrete decision-making situation:

- The medical rationality of the physician in charge of the case argues that if the therapy is applied, there will be a pretty good chance of recovery. The patient's age will not least ensure that the cancer will not spread that quickly, which means that there will be a good chance for the affected cells to be eliminated. Therefore the treatment should be applied.
- The carers' social rationality argues that if the therapy is applied, this will result in enormous stress on the patient, combined with a great deal of pain. For the woman herself, this will constitute a clear deterioration of the quality of life, which in view of her advanced age can no longer be justified. Therefore the treatment should not be applied.
- The hospital management accountant's economic rationality argues that when it comes to giving chemotherapy treatment to people of such an advanced age, funding through the health insurance is rather low, which means that the overall financial risk would be too high for the hospital. Therefore the treatment should not be applied.
- Finally, the hospital lawyer's legal rationality argues that there are various precedents in which patients have been able to enforce treatment in a court of law. If the therapy is not applied, there may be a great risk that the hospital would lose a lawsuit. Therefore the treatment should be applied.

This example demonstrates that in a concrete decision-making situation, the differing rationalities and their perspectives clash with each other. Each actor is convinced at that moment that his – and only his – arguments make logical sense. If he discusses the case later with his peer group, his colleagues will confirm that he – and only he – assessed the case properly and his – and only his – solution is the logical consequence of his considerations. If he wants to assert himself with the other groups, he can only first repeat his arguments, then make them clearer and reformulate them. What he cannot do, however, is to change the rationality and logic of his arguments since he is their prisoner. This means that conflicts in organisations may have their roots in differing rationalities. If this is the case, they are very difficult to solve by means of arguments. They often keep on festering until their origins are ascribed to personal problems.

Practices of multi-rational management

In order to cope with the challenge of multiple rationalities in an organisation, managers develop a variety of practices (cf. Fig. 2):

- conscious vs. unconscious dealings with multiple rationalities in one's own organisation,
- mono-rational/centrist vs. multi-rational/relativist dealings in one's own organisation.

The combination of these two forms leads to a simplified categorisation of possible practices in four groups, which can be observed not only in the literature, but primarily in practice.

If this fact is unconsciously blanked out in organisations that are integrated in a pluralistic context, then we describe this practice as the avoidance of dealing with multiple rationalities. By means of *avoidance*, the management dramatically reduces the complexity of its own information processing, which makes decision-making significantly easier but also allows for the emergence of blind spots (Prahalad, 2004). Our experience from years of practical work with executive staff in the public sector shows that this is often done unconsciously. Although conflicts keep on breaking out when decisions have to be made or implemented in the organisation, their causes are ascribed to sources which are unrelated to differing rationalities: a lack of specialist knowledge, the pursuit of personal interests, affective allocations, and likes or dislikes right down to a lack of esteem are suspected to be behind the contradictions and conflicts that break out. In a hierarchical leadership context, an implicit dominance of one rationality (i.e. the one preferred by the executive) would emerge, coupled with a factual suppression of competing rationalities. In less hierarchical leadership contexts, decision-making can be massively impaired or even rendered impossible. In any case, there is a great potential for long-lasting enmities to develop between individual groups and opinions – enmities which are institutionalised and for which no one is likely to find explanations any longer.

conscious handling	Isolation: Search for monorational context	Competence: Enable multirational decision making
Unconscious handling	Denial: Implicit dominance of one rationality	Tolerance: Intuitive mediation between rationalities
	Monorational/ centric	Multirational/ relativistic

Fig. 2: Practices in dealing with multiple rationalities

A further form of dealing unconsciously with multiple rationalities is the encouragement and preservation of tolerance (forbearance, openness, understanding). Differences which result from the differing natures of the rationalities are recognised and openly tolerated; typically, there is some intuitive mediation going on between these rationalities in order to prevent conflicts from breaking out. Here, too, however, an awareness of multiple rationalities is lacking, which means that they cannot be brought to fruition for the benefit of pluralistic decision-making. Problems in decision-making and the implementation of decisions are not traced back to potential conflicts between rationalities, either, which means that no foundation is laid for conscious dealings with this issue. As in the case of avoidance, the actors are caught in a vicious circle of failing to recognise multiple rationalities.

If the pluralism of an organisational context is recognised and considered to be relevant to the organisation, one possible response to this may be the decision to (re)install a mono-rational situation: *isolation*. There are various possibilities of doing this, which can be observed in practice and are also described as uncoupling (Meyer & Rowan, 1977). One form is the creation of subsystems within the organisation, which are accorded such a high degree of autonomy that they are able to work independently within their own rationalities. They are often also able to set up their own institutional environment, such as a research department in a big corporation (Strebel, 1987). The management of a big corporation often requires quite detailed structures, for instance through holiday and working-hour arrangements, dress codes, workplace design and equipment, and rules of how to deal with financial matters. However, this restricts highly creative and researching parts of an organisation to such an extent that they are no longer able to make fruitful use of their comparative strengths. This is why organisational niches are created where the rules and regulations applicable elsewhere do not apply and where other practices are institutionalised instead.

A comparable phenomenon can be found in the above-mentioned systems-theoretical literature on NPOs. It reports on the establishment of subsystems which continue to pursue their own rationalities although the control system for the organisation as a whole has changed. Zauner et al. refer to this as the protection of the organisational core, i.e. its culture, organisation, personnel and service recipients, through their peripheral adaptation to their funder's requirements (Zauner et al., 2006). The isolating practice of management within NPOs thus consists in shielding their core activity, i.e. social security, from the rationality of economic control.

An organisation's strategy may not least also be to depart from the pluralistic context and change over into a different, mono-rational context (Oliver, 1991), for instance by looking for alternative sources of funding (Zauner et al., 2006) or by exerting influence in order to attempt to transpose their own rationality on their institutional environment (Oliver, 1991). We regard as an example of the first case the attempt by those banks which ended up in the corset of increased government control through the bail-out operation in the banking crisis, to buy themselves off as quickly as possible in order to return to "pure" private enterprise. Examples of the second case can be found wherever organisations make use of lobbying and stakeholder groups to exert an influence on the demands the government makes on them. Lobbying against a performance-related way of funding social security and education are cases in point.

Finally, the management of pluralistic organisations can react to this challenge by establishing a multi-rational *competence*. Such a strategy aims to enable an organisation and its members to act multi-rationally. This strikes us as an underdeveloped field in the literature, though approaches can be found in related fields. The lawyer Philippe Mastronardi, for instance, developed criteria for interdisciplinary discourse which can basically be applied to dealing with multiple rationalities. For him, the focus is on the pluralism of equivalent disciplines which exchange ideas about their arguments in an open discourse: what counts is not a prescribed primacy but the persuasive force of individual arguments (Mastronardi, 2004). He goes on to say that the quest for consensus is subject to discourse rules and follows the pattern of transversal reason, which treats the differing rationalities as equivalent and searches for overlapping areas of consensus, i.e. for common denominators in the various truths and validities (Mastronardi, 2004).

Cutting und Kouzmin (1999) describe a comparable scenario with reference to the different role definitions of ministers. According to the authors, ministers should first champion their own rationalities with power and self-confidence. Then, they should develop some good characteristics of the other relevant rationality in order to achieve a better understanding of it and to emphasise common denominators. Differing rationalities are brought into line with the minister's basic motivation:

- If the minister primarily acts in accordance with a *legal rationality*, decisions will also be painstakingly checked for their conformity with existing statutes, etc., before they are made.
- If the minister primarily acts *personally and on the strength of a charismatic motivation*, he is difficult to allocate to a rationality, and problems with the implementation of administrative measures are foreseeable.
- If the minister primarily acts in accordance with a *political rationality* – the authors are talking here about a traditionalist motivation – his decisions will be governed by the necessity of political support, whereas he is less suited to leading large-scale organisations.

Then again, these deliberations also make clear that a manager does not necessarily have to make his or her decisions in line with a typical rationality. Even a politician – as in the case of a minister in this instance – may develop differing decision-making logics. However, the authors underline: "it would not be too successful if any of the political players [...] took on too many characteristics of the other rationalities" (Cutting & Kouzmin, 1999). In other words, the strategy to be pursued is not the amalgamation of the differing rationalities or the adoption of a rationality by the others, but the preservation of the difference whilst displaying the will to find consensus.

In his evaluation of a chemical disaster at Ciba-Geigy in the 1980s, Rüegg-Stürm brings forward arguments that point in the same direction:

- A multi-rational understanding, he argues, begins with the admission of the existence of differing equivalent rationalities and is based on a mutually *positive acknowledgement* of these differences.

- Multi-rational management, he continues, requires the willingness to actively become acquainted with, and sound out, differing rationalities in a process of dialogue *without* participants ever having to make the rationalities of any other parties involved their own.
- Finally, multi-rational management requires the readiness to *act experimentally*, to conduct pilot projects whose concrete realisation even opens up new kinds of perspectives (Rüegg-Stürm, 2011).

Consequently, multi-rational management is a question of the executive personnel's openness and willingness to embark upon this course. In this context, the ability to *change perspectives* is central for a mutual understanding in a type of communication which is impaired by each party speaking a different language, propounding different arguments and having different ideas of success. Denis et al. (2007) emphasise that the communicative skills of the actors involved are of crucial significance for the success of decision-making processes in pluralistic organisations.

Acting and decision-making across rationality borders call for *conventions* about how people should work within an organisation but also about how the various arguments of the rationalities concerned can be factored in (Gomez & Jones, 2000). They reflect an organisation's deep structure and enable or prevent multi-rational decision-making. It is thus a management task to enable the members of an organisation to reach agreement about such conventions that are also strong enough in conflicts to enable conjoint solutions to be reached. Specifically, the management will establish platforms on which the various subsystems' representatives openly exchange their differing arguments, make concrete decisions or lay down more general conventions. These actors themselves constitute a negotiating system which will develop its own system rationality. However, the conventions drawn up in the negotiating system will themselves again require legitimation by the subsystems affected. Put differently, this means that the decision-making process of a negotiating system – i.e. a working group, mediation committee, etc. – is limited by the legitimation to be expected from its “basis” and is powerless to establish any conventions which will not be backed by the subsystems later on.

Systems theory allows for the deduction of a further course of action for multi-rational management: *context control* (Willke, 1989, 1998). If we assume that the subsystems of a pluralistic organisation are unable to exert mutual direct control over each other, then all that is left for the management of this organisation (which in turn constitutes a subsystem of its own) is the instrument of context control. For a hospital, for example, this means that the CEO does not exert direct control over the clinics but defines their organisational context: budget, human resources, premises and funding modalities. Even if a hospital is funded through lump-sum payments, its CFO cannot make decisions about medical issues. He is able, however, to structure the context of medically rational decision-making through the funding mechanisms in such a way that he has to be taken into account as the first relevant instance in the matter. This results in an indirect rather than a direct control effect of the economic rationality in the hospital.

Finally it is the management's task to convert unconscious dealings with multiple rationalities into conscious ones. For this purpose, the members of the organisation who think about their own rationality and about the other rationalities within the organisation and who share their findings from this process with the others, require a certain *reflective faculty*. This applies to everyone, but particularly to the organisation's executive staff. “Awareness of the existence of the micro-dynamics [...] is likely to contribute to reinforcing managers' reflexivity regarding their way of doing things, thus allowing them to acquire greater control over what they do and what they say” (Denis et al., 2007).

Conclusion

In this paper we have shown that modern organisations and forms of cooperation in government often permanently accommodate several rationalities. They are hybrid. This impairs decision-making and the implementation of decisions once these have been made but should also be conceived of as a strong point of an organisation: through the simultaneous maintenance of several rationalities within its system, it is in a position to absorb and process information from the different social subsystems which constitute spheres of its environment. This results in fewer blind spots, and relevant changes to the environment can be detected more quickly.

The theories that we have discussed contain elements that are central to a conception of the multi-rational management we propose in these pages. The management of an organisation in a pluralistic context is able to avail itself of various mono-rational and multi-rational practices to deal with this situation: avoidance, tolerance, isolation or competence. The latter has been least developed both in literature and practice, which means that this area requires most development effort. Management is called upon to establish general conditions in which an awareness of, and a readiness for, multi-rational action can emerge within the organisation. We have demonstrated that various courses of action are available for multi-rational management, but the list is not exhaustive.

For the purposes of research into public management, particularly against the background of the current forms of collaborative government, multi-rational management opens up a wide field, which is undoubtedly able to rely on a wealth of empirical experience. Our practical projects with executive staff reveal that the problems of pluralistic contexts in public and non-profit organisations are endemic. Practitioners master these challenges more or less successfully in pragmatic ways. The theory of multi-rational management now furnishes them with a semantics and a conceptual framework with whose help they can reflect upon their own actions and exchange their reflections with their colleagues.

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