

Chapter 2

PHILOSOPHY AND BUSINESS MANAGEMENT

[Greek philosophers developed] a sustained, highly diversified tendency to interpret the world through archetypical principles. This tendency ... was in evidence throughout Greek culture in philosophically elaborate form in the intellectual crucible of Athens between the latter part of the fifth century BC and the middle of the fourth. At its basis was a view of the cosmos as an ordered expression of certain primordial essences or transcendental principles ... it would appear that Socrates, Plato, Aristotle and Pythagoras ... all expressed something like a common vision, reflecting a typically Greek propensity to see clarifying universals in the chaos of life. (Tarnas, 1999, p. 5)

We believe that it will not be too long before management students will be encouraged to read philosophy alongside organizational theory. They might find, in looking at Western ideology that some interesting things happened in ancient times strains of which have percolated down to today's management environment. Philosophy, broadly speaking, is a reflection on life, the nature of the universe and the relationship of the human within it. Typically, philosophers want to know what represents a good (or just) and virtuous way to live. An identifying feature of philosophy is the passion of thought brought to the search for truth in the way that human beings should relate to the world around them. It is this passion that intimates the 'rightness' of a way of living and produces what seems like a stubborn resistance to change. Early Greek thinking provides the first part of our story with a special focus on Plato and Aristotle. This is followed by reference to the Enlightenment period of the

late 1500s–1600s. Enlightenment thinking was a powerful way of theorizing about industrial organization in the industrial era that followed. In essence a scientifically oriented, objective way of looking at life, including social and organizational life was developed. It became, as we discuss later, a blueprint or ‘grand narrative’ that was so powerful that it slipped from consciousness and became ‘the way things should be done’. What we aim to do here is to provide food for thought about whether we are still caught up in this way of thinking to the detriment of acknowledging the dramatic and imaginal richness of life in organizations as well as issues of spirit and soul.

2.1 The Origins of Philosophical Thinking

Philosophical thought is represented in the foundations of a civilization. In a practical sense, philosophical ideas can translate into a country’s ‘recipe for living’. The scope of philosophical enquiry is broad, taking in science, anthropology, sociology, psychology, jurisprudence, economics, set theory, cognitive science and more. At the heart of philosophy is the concept of morality, which is the focus of ethics. Morality deals with the ‘ought’ of life. Instead of asking questions about the what and how of business, we might fruitfully ask about what the nature of business *should be* as it fits in the wider circle of life.

The direction and quality of that character reflected a gradual but finally radical shift of psychological allegiance from God to man, from dependence to independence, from otherworldliness to this world, from the transcendent to the empirical, from myth and belief to reason and fact, from universals to particulars, from a supernaturally determined static cosmos to a naturally determined evolving cosmos and from a fallen humanity to an advancing one. (Tarnas, 1991, p. 319)

Interestingly, it seems that circumstances make it possible for a few thinkers to have an enormous influence over a great number of people. In our Western heritage, we often refer to Greek thinkers of ancient times when we are trying to understand the meaning important thinkers gave to the problems of how to deal with the competing forces of materialism and spiritualism. What we propose to bring you is a series of images, of snapshots from the past that go some way towards explaining some of the characteristics of the Western business psyche. Our aim is to draw a particular thread from the rich tapestry of

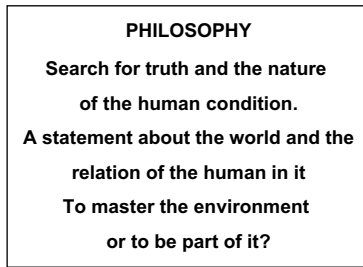


Fig. 2.1: The search for truth.

philosophy, recognizing that readers may want to explore more widely. We recommend the following reading, which was useful to us when we were pondering why things are as they are today in organizations (Audi, 1995; Bunnin and Tsui-James, 1996; Compte, 1853; Guttenplan and Hornsby, 2002; Pojman, 2002; Scruton, 1997; Soloman, 1999; Stumpf, 1994).

In Fig. 2.1, we depict philosophy as a search for truth. Secondly, philosophers have always focused on how the world came to be and what role human beings might play concerning the environment.

Our next image reflects the times of very early Greek thinking. Tarnas (1991) tells us about the colonization of the Mediterranean by Greek-speaking people around 750 BC. This was a time of great speculation about the nature of the universe. We could also point to this time as an age of epics. Legends about the Gods and men, in Homer’s Iliad and Odyssey were composed and later, the more morose stories of Hesiod. Life was portrayed in dramatic form. There was a playfulness and superstition about life and survival. At the same time, science and logic allowed Greek merchantmen and sailors to apprehend the challenging physical world of the seas and strange lands.

The archaic Greek vision reflected an intrinsic unity of immediate sense perception and timeless meaning, of particular circumstance and universal drama, of human activity and divine motivation. Historical persons lived out a mythic heroism in war and wandering, while Olympian deities watched and intervened over the plain of Troy. The play of the senses on an outflung world bright with color and drama was never separated from a comprehension of the world’s meaning that was both ordered and mythic... The immediateness of the Homeric vision was paradoxically tied to a virtually conceptual understanding of the world governed by an ancient and venerable mythology. (Tarnas, 1991, p. 16)

These were times of trading and commerce, much of it by sea, and long before the invention of many of the machines we take so much for granted today. Elements such as Fire, Earth, Air and Water, Sun, Moon and Rain were almost primordial in their relation to life’s essence. Stories of the Gods and of epic journeys provided the human counterpart to a superstitious awe of the elements. It would be so easy to discount such ‘drama and superstition’ but let us stop for a moment and see what the people of the day were bringing into play. This was an imaginative age. Stories were woven about the elements, the heroes who braved them and the Gods who personified the human condition. These were mostly handed down orally and one might imagine the emphasis being as much on dramatic effect as on logic and accuracy. A developing theme of this chapter is the loss of these qualities in the service of mental coherence and science. As the chapter develops, we ask the reader to think deeply about two things. The first thing is about organizational environments with which they are familiar. The second is any contrast between organizational and personal or family life in terms of drama, storytelling and emotions.

Returning to our story, there was intelligibility to early Greek social life that was as complex as it was implicit. Alongside the imaginal and emotional nuances was a persistent desire for order and clarity in the Greek vision. Greek philosophers Thales (c636–c546 BC) and his successors Anaximander and Anaximenes made an assumption that a rational unity and order existed within the flux and variety of the world. This is illustrated in Fig. 2.2.

Thales	Constancy underlying variety of life
Anaximander	Elements combine Re combine
Anaximenes and others	Specified elements
Heraclitus	Life is flux But also Logical thinking Senses deceive Rivers flow downwards Based on laws and rules (of water)

Fig. 2.2: The search for unity and mental coherence.
‘Based on Tarnas (1991).’

Different ideas as to what made up the universe were presented but the desire for rational explanations was unmistakable. Still at this time, the notion of the mythical and divine mixing with the material and substantive was possible. However, as Tarnas says, the decisive step towards an understanding of the world through observation and reasoning was made. The focus of philosophical thought was how to best live a good and virtuous life. This was later to become a question about how people could best live together in a social environment.

The two came together when Plato (427–347 BC) and his mentor Socrates (469–399 BC) addressed the problem of evaluating how one should govern and justify one's rules for conduct in life. Goodness and justice, they argued, needed to be expressed in some universal way. 'Without such changeless constants that transcended the vagaries of human conventions and political institutions, human beings would possess no firm foundation for ascertaining true values, and would thus be subject to the dangers of an amoral relativism' (Tarnas, 1991, p. 7). Plato is considered to be a philosopher whose theories have had a lasting influence on Western thought. He is famous for his description of the human as having both mystical and scientific qualities. The human being is a moral agent who requires a firm foundation upon which to be just and fair and also a scientist who requires a different foundation upon which to understand the many and varied forms of life around him. Plato is most famous for suggesting two levels of experiencing life. One is the 'immaterial' and this, in simple terms, is represented by the notion of essence, which Plato expressed as Ideas or Forms. For him there were deeper, inward-looking and transcendental 'Ideas and Forms' of life '...which are eternal and beyond the shifting confusion and imperfection of the physical plane. Knowledge derived by the senses is merely opinion and is fallible by any nonrelative standard. Only knowledge derived directly from the Ideas is infallible and can justifiably be called real knowledge' (Tarnas, 1991, p. 8). Plato's thinking led to the notion of 'being and becoming' as contrasting explanations of life.

For Plato, there was a never-ending process of transformation going on all around us. Today's business environment immediately comes to mind. Products, services, and technology are constantly changing reinventing and sometimes dissipating. However, to Plato, underlying this transformation and change is an 'ultimate reality' a changeless, enduring and reasoned basis for truth. While the concrete examples of things come and go, the Ideas or Forms that contain their essence, remains as we show in Fig. 2.3.

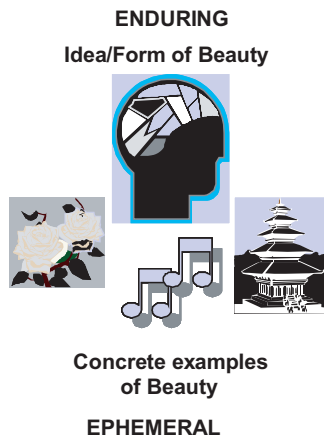


Fig. 2.3: Ideas/forms and concrete examples.

To take the concrete examples in Fig. 2.3, roses may wither and die, but the idea of a beautiful rose lives on. It is the same with the temple. The building may crumble, but the idea of the beauty of a temple remains. One's taste in music may change, but the idea of a beautiful piece of music and what it does for the senses remains.

We are interested in Plato's philosophy (and there were many contradictions and controversies around it) for two reasons. One is that he (among others) appeared to successfully redirect thought from the mythical to the rational. The other is for the effect his thinking had on Aristotle who studied for 20 years in Plato's academy. Aristotle did this before setting out his own philosophy, which was to have a direct and long-lasting effect on Western thought. Plato's premise that the basis of reality lay in the transcendental world of ideal forms was not accepted by Aristotle. He believed, with great consequence, that true reality lay in the apprehendable world of concrete objects. For him the foundation of knowledge was empiricism (observation) and logic (rational thinking).

Aristotle believed that order could be brought to the variety and flux of life by the definition, classification and organization of objects, including objects of thought. By doing this, it would be possible to discriminate good from bad and virtue from evil. For the mental process of categorization to take place, Aristotle conceptualized the human mind as something that is always active. It possessed a divine quality or God-given intellect that could give humans the

intuitive capacity to grasp and argue for infallible truths. Having recognized this quality of human beings, Aristotle looked for meaning in the purpose and final actuality of things. In management terms, we might say that he focused on outcomes or end products of things. He believed that an empirical (that is experiential or observational) approach to nature and to life was possible because of nature's inherent openness to rational description. Using the mind and rational thought to look for patterns and processes, Aristotle cognitively organized things into classes of things. His classification became ever more refined, going from categories to attributes and qualities of attributes. He refined both definitions and classifications to the extent that it became possible to describe something so that it could be identified as itself and nothing else.

This was the birth of what we know today as the concept. It became possible and desirable to produce a rational analysis of the world and to enhance the power of scientific explanation over myth, drama, legend and other internal processes that might transcend rational thought and science. 'The Greek sense of confidence in the power of human thought to comprehend the world rationally, a confidence that began with Thales, now found in Aristotle its fullest expression and climax' (Tarnas, 1991, p. 62). Justifications for the 'unknowable' have always featured as part of the philosophical struggle. Plato, Aristotle and some of the most fervent rationalists and empiricists to follow, have acknowledged some sort of divine essence. In the case of Aristotle, as we show in Fig. 2.4, the qualities of the mind that allowed human beings to grasp processes and patterns in their actual concrete existence were God-given.

Aristotle established many systematic ways of exploring and explaining life that have endured through the ages. He designed rules for employing logic to situations, and a language within which to express the rules. He developed what we now call 'cause and effect' or 'if-then' thinking. To do this, he made basic distinctions such as subject-predicate, essential-accidental, potential-actual, universal-particular, species-individual member. He also developed 10 essential categories into which elements of the human and natural world fall. These were substance, quantity, quality, relations, time, place, position, state, action and affection. These provided what we would now call a generic blueprint for analyzing important aspects of life.

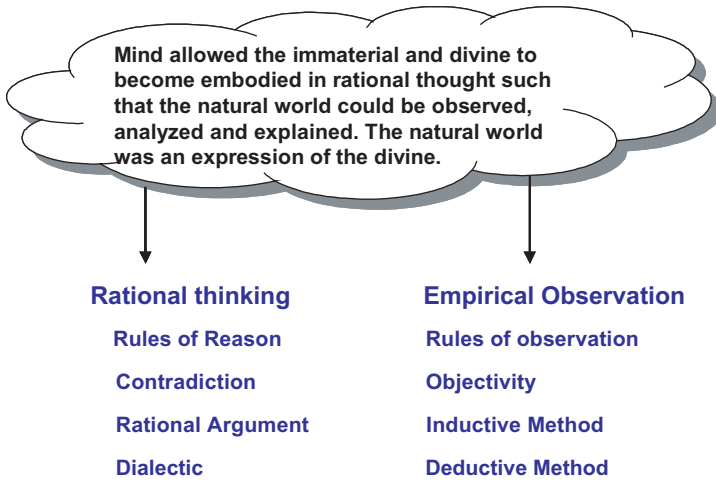


Fig. 2.4: The mind in the service of logic and science.

2.2 Aristotle’s Legacy to Management

We shall interrupt our conversation and have a look at what traces Aristotelian thinking might have left on organizations of today. We have proposed that philosophy goes to the deepest (we call this *ontological*) level of thinking, which is about the nature of existence itself. The search for mental coherence and analysis of concrete and apprehendable aspects of life can be expressed as a *positivist world view*. It holds that the things in the world that ‘positively exist’ play an important part in the way that theorists and managers construe organizational life. This view sets the scene for how we think about ourselves, others and in fact everything we come across in society and the workplace. In the positivist story, there is no room for ambiguity. Things can be either rationalized or observed. In Chapter 3, we describe scientific management and we see how the positivist ontology (statement about the ‘true nature of things’) was reflected there. It was rational to require people to stop messy activities such as talking, socializing and interacting because there was no rational reason to do so. In the service of efficiency, jobs were broken down into tasks and ways were worked out to match the most economical movements of humans to the needs of machines. Bodily movements could be observed and times for every task could be measured.

That brings us to the second level of thinking, about valued knowledge (we call this *epistemology*). How we know what we know? What sort of knowledge do we value? What are the approved ways of finding things out? It might be useful here for us to stop and reflect on some core management processes, such as performance appraisal and quality management to answer such questions.

In many organizations, the key to such systems as integrated performance management is measurement, evaluation and factual reporting. Performance appraisal is a matching activity. Performance is matched against targets. The results trigger any training needs. They are matched to job/task specifications. Training evaluation gives factual knowledge and so the cycle goes on. If training is successful then performance will improve. Completing the cycle is the rewards given for improved performance. Quality processes have an added dimension. They have more rigorous measurements. Unpredicted events are catered for by designing 'bands of variance' and these are still reported in a factual way. The correct knowledge-management stance of the person doing the measuring is objective and distant. The kind of knowledge selected is factual and measurable. It is embedded within structures and we are expected to function in accordance with them. The answer to how we know what we know is that we look for facts and measurable outcomes. The sort of knowledge we value is tangible knowledge or knowledge that is well reasoned. Approved ways of finding out are observation, gathering of statistics, use of questionnaires and any other ways that allow us to remain objective and distant.

We realize that we are presenting what may be an extreme view without taking into account other possibilities and paradigms presented by scholars in the organizational field. Managers often refer to *paradigms* as sets of mindsets, or mental models.

The seminal work of Burrell and Morgan (1979) describes four paradigms or fundamental sets of assumptions and beliefs. These four paradigms, are illustrated by Gioia and Pitre (1990, p. 586) in Fig. 2.5.

They are:

- *Functionalist*: an objective view of the organizational world, oriented towards stability and maintenance of the status quo.
- *Interpretive*: a subjective view of the organizational world, lacking concern with changing status quo.

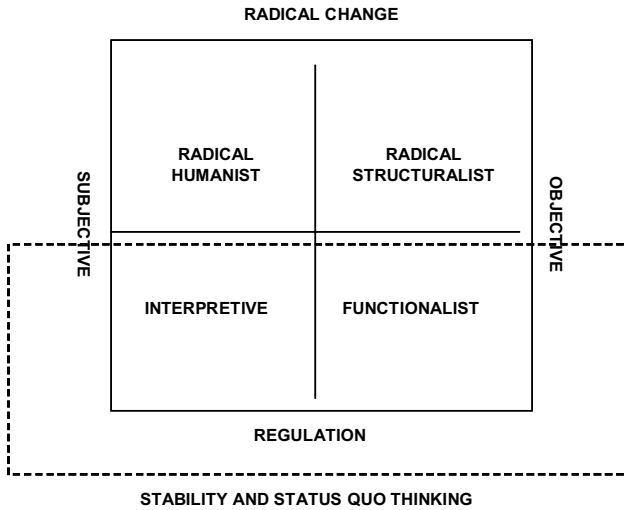


Fig. 2.5: Mental models for organization theory. Adapted from Burrell and Morgan (1979).

- *Radical humanist*: subjective view but orientation towards radically changing constructed realities; and
- *Radical structuralist*: objectivist view but orientation towards radical change of structural realities.

We have added ‘stability and status quo thinking’ to the model in Fig. 2.5. One of the characteristics of *status quo thinking* (regulations and ways of doing things laid down by those in power) and functionalist management is that deep and foundational thinking is not a feature throughout the organization. In fact, we argue that those in power who perpetuate the status quo in an organization may not themselves realize that the deep philosophical basis for their thinking is somewhat hidden in the taken-for-granted theories of the organization. They themselves may have come into a situation where things were done in a certain way. Unless forced by circumstances, systemic assumptions about the organization were not re-addressed.

Over the decades, an extension of the measurement element has of course been statistics. What we know as bar charts simply describe details such as the frequency with which things happen. Statistics as a discipline, though, has gone far beyond description. Using rational and logical thinking, many things

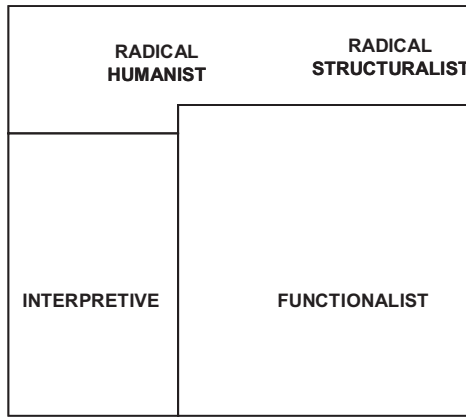


Fig. 2.6: Functionalist domination of organizations.
 ‘Adapted from Gioia and Pitre (1990).’

are ‘inferred’ from figures, including a confidence that figures can somehow represent feeling. Such evolution has been characterized by Gioia and Pitre (1990, p. 586) as in Fig. 2.6.

Using Burrell and Morgan’s framework, Gioia and Pitre (1990) suggest that there is not an even balance between all four paradigms, but a shift in balance in favor of functionalist domination, which we illustrate in Fig. 2.6.

The functionalist ways of thinking made it natural to organize in a certain way. Managers themselves would operate within this environment. Employees, at least those within a functionalist-dominated organization would operate at the tip of the iceberg and within the rules and regulations enfolded within structures, systems and processes.

It is clear from quotations like the ones from our own research, that employees and managers are requesting more in terms of explanatory information.

First an excerpt from an interview with an employee of a company, which believed in core values.

By way of relaying another little story one of the issues, one of the significant changes that we want to instill in this organization is the way that people think about their own self worth and about the business. In a traditional

organization, ABC^a because I know it so well you go to a mine, you recruit people as truck drivers, operators, drillers or whatever and to reinforce the concept of taking peoples' minds or brains away. If we teach them very well and at ABC we do teach people to drive trucks extremely well that's what they do. They take the thinking out of this job so once you've been doing it twelve hours a day for 6 or 8 months you can do it almost by remote ... And [here] we say no, we say no, you don't have to operate all those pieces of equipment, we don't want you to operate one we'd like you to be able to contribute to the success of the business.

And here is a quotation representing many such comments by managers and supervisors about employees.

I'd disagree with that [one of the reasons you don't tell people about the business is that they can't understand]. I think that where some of the skill comes in, communicating and disseminating information so people can understand it. But the majority of people are fairly intelligent and are able to understand what's going on, especially if you explain it properly.

If we were encouraged to think about these things, we might notice iceberg-tips that are common to many organizations. We see structures (hierarchies) of authority, position, pay, competence, decision-making and task distribution. We see the contingencies of fast flowing and dynamic life catered for by static rules, regulations and sets of policies and procedures. When we see these things, there is an air of stability. Most of us have experienced how difficult it is to get rules, regulations and sometimes even procedures changed. This leads to a very natural expectation of continuity, stability and predictability. If the expectation is not met, that is if change is proposed, it becomes an unwelcome disruption 'and just when things were going smoothly'. In Fig. 2.7, we model this iceberg and you will notice that those rules, systems and processes depend on assumptions, which are seldom made explicit and invariably hidden, but firmly anchored in philosophical thinking.

In Fig. 2.7, managers and employees function in accordance with explicitly stated structures, systems and processes. These are transparent and usually available in written form. Not so explicit and transparent are the rules of logic

^aABC is a pseudonym for the company.

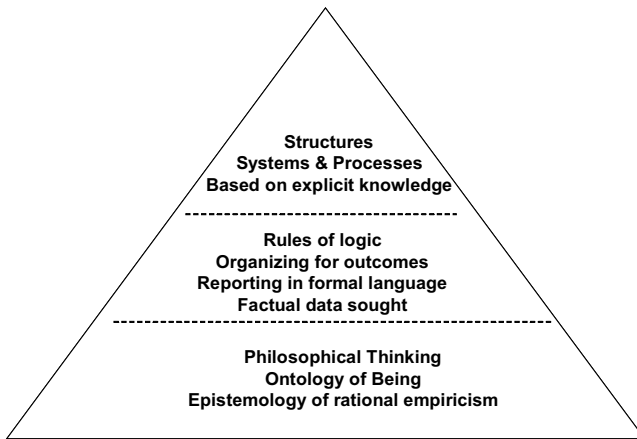


Fig. 2.7: The tip of the iceberg.

and objectivity that allow structures, systems and processes to be designed in factual, objective ways. Even less accessible are the deep philosophical convictions of scientism, rationalism and empiricism that underpin the next two levels.

Three results come from such thinking:

1. Knowledge sought in the workplace is factual and measurable.
2. The natural state is one of stability.
3. The other is that as long as the deep systemic thinking is hidden from view, there can be no serious challenges to this way of thinking.

As we see later, when we talk about natural change, it is not change that we as human beings cannot cope with—it is change when the expectation is stability.

We are arguing here that what we do today has us firmly (and largely unknowingly) manacled to the past. The scary thing is that we seemed to have stopped questioning the past long before now. You might say, and you would be right, “How could we ask questions when we were not aware of the whole story”? When we think about it, there is no divine reason to organize within the functionalist/positivist paradigm.

2.3 The Contemporary Relevance of Philosophy

The set of ideas, which follows, has been designed to encourage discussion and debate. Have you ever asked yourself why a person is often very different at home than at work? Home and family is where you learn to state your case, to negotiate, to use your charm and charisma and sometimes share knowledge so that you can do things together. If you treated your family members as objects, hit them with the 'facts' of the situation with little regard to the emotional consequences of your logic, what do you think might be the outcome? Home is where we keep our faculties sharp. A great deal of imagination and intuition are needed to make sense of the goings on that make up family life.

You might argue that this may be the case but work is definably different. It is where we take our rational selves to 'do' our jobs. "Why"? Because, by working in a planned and rational way we can be more efficient. "Why"? So that our organization can survive and make a profit. "What sort of profit"? We want to make financial profit, the bottom line. This sort of dialogue amongst critical writers resulted in hard-earned agreements to include social and environmental 'profit' in the corporate balance sheet. What resulted (in theory at least) was an expansion of the bottom line (financial) concept. Costs to social communities of business activities resulted in the need to evaluate social costs. Similarly, impacts on environments attracted evaluation. We now have categories of social (double bottom line) environmental (triple bottom line) accounting. Has this actually been embraced within corporate mindsets? You can easily test this by introducing the words 'bottom line' in conversation and see whether the question is asked "Do you mean single, double or triple bottom line"? It is likely that bottom line still means financial bottom line for many managers. See John Elkington's (1999) well-named book, *Cannibals with Forks ...*, for a critical argument on this subject.

This diversion into organizational life may help us to realize how pervasive Aristotelian thinking has become. We practice Aristotelian thinking even in kindergarten and primary school. We often start with farm sets where we classify animals into species. We further classify them in terms of their qualities. We become more precise through identifying special attributes and their qualities. Eventually, we look for the one defining quality that allows an animal to be identified as itself and no other. In academic subjects such as geometry, we further refine our abilities to classify things by adopting axioms

and proofs. Categorization extends to family life, and especially in the West, with categories for parents, children, and other relatives. In some cultures, in Asian culture, for example, it is easy to see that any exact categorization of family is not a comfortable thing. Aristotle was passionate about science and he found that he could add even more order to things in the world (including human things) by looking at any regularity in the way that they were sequenced.

Stumpf (1994, p. 85) quotes Aristotle “We have scientific knowledge when we think that we know the cause on which the fact depends, as the cause of that fact and no other, and further that the fact could not be other than it is”. Of the many profound elements of Aristotelian thought, one that is of particular interest to us as we wrestle with the nuances of organizational life is his idea of potentiality and actuality. To recapitulate for a moment, Plato (amongst many other things) proposed that the mental images of the ‘Idea’ world were to be considered as transcendental to and separate from their physical expressions. The example often used is the mental idea or concept of beauty. The deeply-held idea of beauty is like an internal (and unchanging) conceptual benchmark against which we can appraise things out there in the world. We can apply this concept to physical objects, to people, machinery, pictures, scenes from nature and so on. We match the concrete characteristics of some thing with our mental idea of it. Aristotle, focused on the concrete for his explanations of life. He was interested in ‘what is’.

Aristotelian thinking is highly desirable in terms of its ability to predict, control and acquire some certainty about the future. We would agree entirely with this desirability, but something has been left out. Aristotle’s entire reasoning was based on ‘actual’ things or events as products. In other words he developed a theory or ontology of ‘being’ (see Fig. 2.4). What about those things, human beings in particular, which are constantly in the process of becoming? Aristotle recognized this becoming or potentiality very well. All things, he said are involved in processes of change, having the power to propel themselves to their final form. This applied to the internal processes of humans just as much as the evolution, for example, of plants. (Later, when we talk about natural change, this potentiality is what we mean.) However, for Aristotle, the actual, the product, is there at the very beginning and through its potentiality it emerges as a thing of ‘being’.

But the chief significance of this distinction is that Aristotle argues for the priority of actuality over potentiality ... Aristotle thought it necessary to assume the existence of some actuality at a level above potential or perishing things ... This led to the notion of Being that is pure actuality, without any potentiality at the highest level of being. (Stumpf, 1994, p. 93)

An example of this in organizational life is where the organization is 'outcomes' and not 'process' oriented. Reporting is factual and formal. Language is definitional so that all can (theoretically) understand it. Support for reports is often provided in statistical form. Presentations are characteristically unemotional and objective.

Although Aristotle and many philosophers to follow focused on the concrete and observable, they did not discount that there is a God. Their deity was far removed from life on earth and though recognized, was not of direct interest in pondering the true and virtuous life. In drawing our philosophical thread, we must ask readers who are interested to follow the spiritual and religious philosophical thread by first referring to such writers as Tarnas (1991) on *The Christian World View*, Stumpf (1994) on *The Medieval Period*, and Cooper (1996) on *Medieval Philosophies*. There were many developments and controversies surrounding the various approaches and religions around the world. For example, some, like the Islamic worldview, infuse life and this includes organizational life with faith and worship according to Islamic principles (Koller and Koller, 1998). Others, such as the Thai view, act as foundational beliefs that are taken into account when business programs are practiced and especially in human resource situations (Komin, 1990).

We recognize that many different philosophies were produced down the ages from the time of Aristotle. In particular, the Christian worldview emerged with the geographic expansion of the Western world and with it the notion of the soul and God the creator. The Christian religion was to take many forms and philosophical stances down the ages but essentially, the binding feature was the notion of faith, illumination and regeneration through worship and symbolic ritualism. There was little doubt that, over the ages, spiritual matters were increasingly associated with various forms of religion. The focus was much more on the concern for spiritual destiny than empirical study. The truth about life, morals and the way to live a good and virtuous existence

would not come through a rational analysis of goodness and virtue and a scientific breakdown of their qualities and attributes. It would come through a belief in God. Replacing definitions were values and moral behaviors such as humility, selflessness and service to others. These developments pull a different thread from the rich tapestry of philosophy but we mention Christianity as an example of the different destinations of soul and rational/empirical knowledge.

In the Western world over the centuries the effect of this split between soul and rational/empirical knowledge produced dualism where, instead of the entwined worlds of myth and reason that coexisted for some time in the Greek worldview, there developed a separation into two strands of thought. One was based on faith, which did not need ‘proof’ and knowledge, while the other sought proof through logic and scientific methods. *Dualism* means, essentially, thinking of body and mind as separate from soul and spirit. We illustrate this concept in Fig. 2.8.

A subtle yet pervasive note is beginning to appear that will reach over the centuries into today’s organizational theory. It is the relative passing over of spirit and soul in formal organizational arrangements. As we point out, it is not to say that the spirit and soul were ignored. Various religious movements intervened with great success in promoting the spirit and soul as the pathway to the true meaning of life as well as providing principles for humans to live just and virtuous lives. The divine, immortal and transcendental aspects of life have been recognized by many philosophers as reflecting ‘God’s hand’.

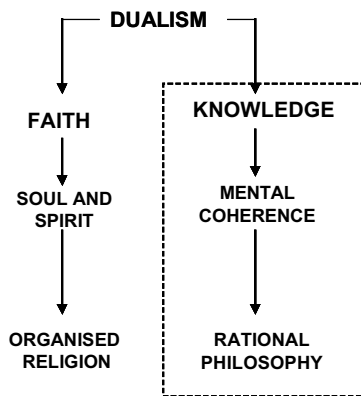


Fig. 2.8: The development of dualism in western philosophy.

Humankind was subject to God's will and authority but in the natural and social concrete world, the task was to employ rational thought and empirical observation and experimentation to investigate the world. So here we have a dual system developing over the centuries with one emphasis on the concrete and rational and another on the divine and immortal. As we show later, when talking about modernism and scientific management only one arm of this dual system found its way into industrial organization. In Fig. 2.8, we have boxed the knowledge-based approach as the one that has been retained in today's business world.

We can say that the inheritance of Greek philosophy laid the foundations for a search for mental coherence and unity of thinking about life and the role of human beings. What then evolved was an uneasy alliance between the divine hand of God (in some form) and universal rules for living that were human-made. These included using reasoning powers as well as those of observation and experimentation to comprehend the world. This inheritance has stood the test of time. By the 1500s, we had reached what some called the age of science. Assumptions of determinism and certainty were at the heart of the scientific revolution (Mahoney, 1991). By this time, more than a thousand years of the search for certainty had produced certain habits. Objectification and the application of external realism had created a firm and powerful base.

"We call the Scientific Revolution an epidemic, spreading across the continent of Europe during two centuries" writes James Gleick. It was "a relay race run by a team of heroes who passed the baton from one to the next: Copernicus to Kepler to Galileo to Newton" (Gleick, 2003, p. 50). "Success bred confidence. Law triumphed. Newton's followers and successors created a more perfect Newtonianism than his own, striving for extremes of rational determinism (Gleick, 2003, p. 189).

Such ideas were reinforced at a time when there was much scientific activity. Bacon in around 1620 developed his 'new instrument' (the forerunner of the survey) laid down the foundations of what have, today, become the most accepted and acceptable ways to investigate organizational phenomena, which we call, colloquially 'scientific method' (Tarnas, 1991). These included deduction, observation and experimentation. Epistemologically, empirical observation was coupled with logical inference and conceptualized as rational objectivism. From here developed the well-documented metaphors of the mechanistic universe of Newton (Wheatley, 1992) and the elegant

mathematical universe of Descartes (Waldrop, 1992). Rational objectivism still appears to be the dominant meta theory in science and, others suggest, social science as well (Guba and Lincoln, 1994; Checkland, 1999). “Applied to the study of human nature, it was proclaimed, the methods of science would not only enable people to understand themselves and the laws of their behavior, but put them in a position at long last to control and improve the human condition” (Cooper, 1996, p. 275).

2.4 Philosophy and the Theory of Organizing

The industrial era was a time when many of the philosophies and ideas about how life should be lived and people should be organized were put into practice. This was the time that organizations as we know them were constructed both as ideas and as entities. The dominant managerial ideologies over the last 150 years are set out in Table 2.1 (Barley and Kunda, 1992, p. 364).

Barley and Kunda offer an excellent historical account of this era. Interestingly and somewhat paradoxically, given the emphasis on science, it was recognized that people needed a moral outlook in support of the capitalist economic system, which needed their labor. Two powerfully influential people provided rationales and methods for bringing a moral element into the order and structure, which was to characterize organizational life. Weber (1864–1920) designed the ‘ideal bureaucracy’, which was based on impersonality, separation of home and work life and hierarchical levels of management. It was Weber who, in 1905, coined the phrase ‘protestant ethic’ arguing that the advance of capitalism and its rationalist ethic was the driving force behind European economic expansion from the 16th century (Bullock and Trombley, 1999). The addition of the moral component meant that “economic activity

Table 2.1: The succession of managerial ideologies.

Ideology	Era of ascent
Industrial betterment	1870–1900
Scientific management	1900–1923
Welfare capitalism/human relations	1923–1955
Systems rationalism	1955–1980
Organizational culture	1980–present

gradually became labeled as a positive good rather than a necessary evil” (Pugh *et al.*, 1971, p. 23). Durkheim (1858–1917) developed the idea of structures, functions and the status quo as constraints on behavior. Durkheim (1933), as we see later in the book, took as his model the way that country people appeared to develop key moral principles for application to village members. He translated this into organizational contexts as the notion of ‘organic solidarity’.

Returning briefly to our roots in Greek society we note that one of its characteristics was the drama and storytelling and legends about gods and other mythical figures. Another was the oral tradition through which stories and dramas were passed on. Clearly, these would have no place in the formal scheme of things today. However, we cannot say that these have disappeared from organizational life.

We found that employees often create a world of their own. This world allows for those aspects of social life that are not allowed for within formal arrangements. There is a strong oral tradition in many organizations. Heroes are identified and celebrated by their colleagues. There is a strong symbolic element to things. People have lucky chairs, lucky tools, and so on. A main method of communication, we have found, is through stories, legends, jokes and metaphors. These are used both to interpret and communicate formal policies and procedures. However, there is a difference in contemporary times. The playful and imaginative side of organizational life finds its way into very few, if any, regulations, policies and procedures. Now, we have what we call a more formal, less oral and less personal way of life. One cannot help asking, as we look at the quest for mental coherence, logic and concreteness, why we have thrown out something so special and so human? Of course, the answer is that, in spite of the scientific managers and their theories, playfulness goes on, probably as strongly as ever. However, it is to be found in the informal contexts of what Stacey *et al.* (2000) call shadow themes in the organization.

Organizations have developed in such a way as to keep natural philosophizing within what we might call the tacit or hidden domain. The tacit domain is where we ‘just know’ things implicitly (Baumard, 1999). Sharing our implicit knowledge with others has finally been recognized as representing an important element in the life of an organization, even though it is often depicted as the ‘shadow’ or informal one (Stacey, 1998, 2003). The myth that once rules and regulations are in place, they are accepted unquestioningly as

the way people will behave has been if not dispelled, then severely questioned (Meyer and Rowan, 1991).

A recent study on unwritten rules (Whiteley, 2006) tested the idea that people *can*, and *will*, apply their own “rules” to social situations. Participants were asked:

What might be exceptions to the rules and why?

Here is one reply, which is typical of many others.

We need to be more flexible and appreciate and examine individual cases/circumstances. Because flexibility leads to innovation and high staff morale and because when you are dealing with human beings you must consider the uniqueness of each case. The rules are the generic brand to satisfy all situations and the environment is full of individuals who have different needs. Because every situation is different, equity and fairness should be applied in all circumstances. Rules can stifle innovation and can be difficult to change in a fast moving environment. Exceptions can allow agencies to operate better. You need to be able to assist others in every way you can, therefore there is always an exception to the rule.

You can see here the responsive and fluid way in which situations are approached in what we call the informal or the tacit domain. This is an area of great interest to managers at the moment and they call it knowledge management (Easterby-Smith and Lyles, 2003; Mertins *et al.*, 2001; Takeuchi and Nonaka, 2004). The data from our research on the unwritten rules study suggests that it is not too difficult to access tacit knowledge when the conditions are right. As you can see from the above quotation, it all depends where one is looking. If we use formal methods (that is questionnaires) and language (such as concrete and definitional prose) to try to access tacit knowledge, it is unlikely to emerge.

Yet the unwritten rules respondent tells us a lot, not least the sort of tacit knowledge being used to achieve valued goals. In the unwritten rules study, we can see that the valued goals include being flexible, innovative, and aimed at improving staff morale. We can see the goal of wanting to assist people as individuals and not ‘instances’ to which general rules can be applied. There is a moral element too, as the respondent talks about equity and fairness. The

point to take into the next chapter is that organizations that do not allow scope for individual creativity, decision-making and social relationships are likely to have two faces in operation at the same time. One is the formal face that is often characterized by a wish for compliance and regulation. The other is the informal face that allows people room for experimentation, relationship building, and the generally more messy interactions that are embedded within any formal rule structure.

When we take an overview of organizational life, we have an instinctive feeling that spirit and soul cannot simply be cut off and left behind as people come to work. Our work, concerned as it is with human values, takes us more into the invisible than the visible, the indefinable than the definable. We listen to stories, we ask about core values and we see at first hand, how people deal with visible and tangible rules and regulations. We know that values and spirit are important because of the distress we see when spiritual mores are breached. Many of us have heard such statements as “It’s against the spirit of how we do things around here”. A key question is “do we leave our soul and spirit at the workplace door or do (should) organizations cater for us, as you might say, body, mind and soul?”

To conclude this chapter we propose refining Barley and Kunda’s (1992) ideology of Organizational Culture in Table 2.1 by adding two additional categories, which have come to the forefront of management thought since the 1990s. These are *Complexity Theory* and *Spirit and Soul*.

We devote a chapter to each.

2.5 Questions for Discussion

1. When thinking about how to successfully implement change programs, does deep philosophical thinking help the manager and if so how?
2. Assume that you are in tune with people who say they are disconnected from an important emotional part of themselves at work. Identify which areas of management activity would support a more holistic approach.
3. It is clear that many aspects of management need to be rational and empirical. You are very comfortable with ideas such as Aristotle and you believe in dealing with concrete situations. At the same time, you have read that

resistance to change by employees is often psychological and emotional. Sometimes, this is such that employees develop physical symptoms of stress and other illnesses. How would this knowledge help you (given your own preferences) if you were selected to explain the need for radical change to various sectors of the workforce?