

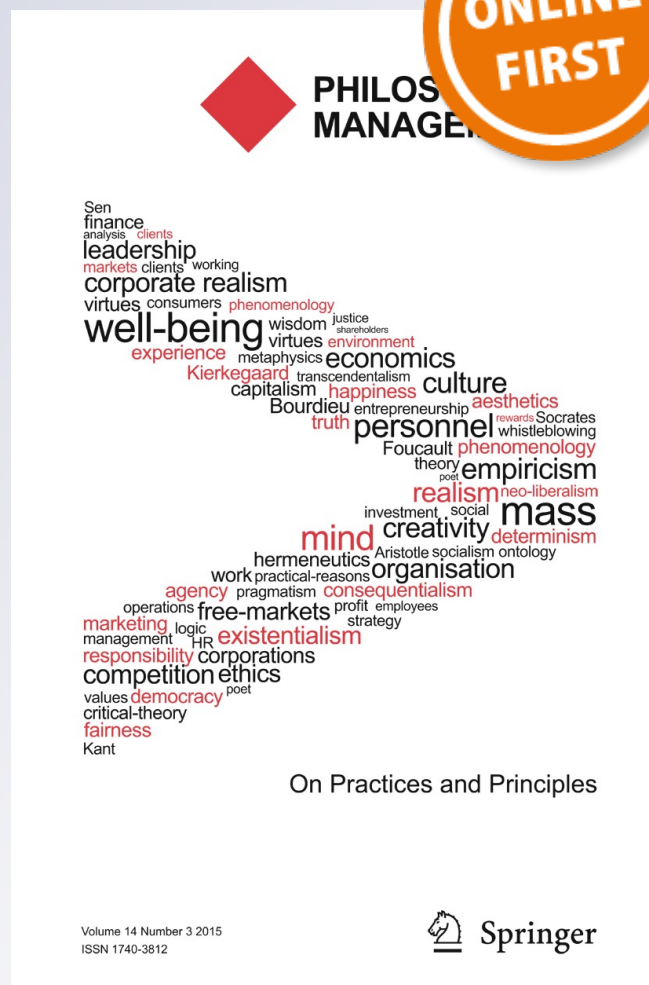
Retrieving Philosophy in Management and Organization Science

Julian Friedland

Philosophy of Management

ISSN 1740-3812

Philosophy of Management
DOI 10.1007/s40926-015-0022-6



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Retrieving Philosophy in Management and Organization Science

Julian Friedland¹

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Abstract Like any social science, management and organization sits astride two literary and epistemic disciplines; the empirical and the conceptual. I argue that emphasizing the former to the detriment of the latter, as is often the case in management and organization research, creates a conceptual blindness that compromises progress in the field. I show how adopting a more philosophically attuned methodology buttresses the conceptual tools of management and organization research via deduction, induction, normative grounding, and overcoming the illusion of unanimity.

Keywords Epistemology · Induction · Deduction · Moral progress · Conceptual clarification

Striving to emulate the extraordinary achievements of the exact sciences, much of management and organization research has couched itself in a rigidly empirical methodological tradition. What I mean by this is that instead of supplying arguments and examples—the way one does in philosophy—claims are often made based on purported empirical evidence cited at the end of the line. So we are to take this as a given at that point. Unfortunately, this has been found to create significant potential for methodological misunderstandings (Cortina 2002) and misreported findings based on statistical and methodological myths and urban legends (Lance 2011; Lance et al. 2006).

On the whole, this methodology can obscure certain kinds of conceptual activity. I list four of them below, along with their corresponding epistemic value, after each colon. I then go on to examine each in turn, including how these more properly philosophical forms of investigation may serve to advance management and organization research going forward¹:

¹I do not intend this list to be exhaustive. Conspicuously absent is a section on abduction, namely, inference to the best explanation. Abduction is a more properly scientific than philosophical tool. As such, philosophy makes little use of it beyond critical theoretical examination of the concept itself, for example, as an epistemological debate between abduction and Bayesian confirmation theory. Also absent is any comparison between the two main approaches of organization science, namely, positivism and socio-constructivism. I omit these discussions to avoid delving more deeply into theoretical debate than this practical methodological paper affords.

✉ Julian Friedland
jfriedlan@hartford.edu

¹ University of Hartford, Hartford, USA

1. Deduction: Incontrovertible truth
2. Induction: Rational Extrapolation
3. Grounding Prescriptive Claims and Ideals: Moral Progress
4. Conceptual Clarification and Interpretive Exposition: Bridging the Author-reader Cognition Chasm and Overcoming the Illusion of Unanimity

Deduction: Incontrovertible Truth

We do not empirically test for deductive validity. If a bachelor is defined as an unmarried male, we can deduce that any bachelor in the room must be unmarried. We don't need empirical confirmation. This kind of certainty is arguably the strongest there is, for unlike empirical measurements, which can be flawed or incomplete, deductive conclusions are virtually timeless.

Beyond the use of logical reasoning, deduction may be employed in management and organization research via the use of thought experiments. We don't always have to run actual experiments to come up with compelling conclusions about the world or the people populating it. Indeed, running certain experiments may be highly impractical or impossible. Hence, Galileo is believed not to have conducted any actual experiment at the leaning tower of Pisa in order to demonstrate that bodies of differing mass fall at the same speed. As such, the experiment is widely referred to as mythical in the relevant literature (Drake 2001). Galileo merely conducted compelling thought experiments that made everyone realize that his propositions must be true. For conducting the experiment would, for several reasons, have been rather challenging at the time. Similarly, we cannot practically conduct experiments to see what would happen if we got rid of state medical licensure, as Milton Friedman infamously argued we should in order to lower opportunity costs (1962, Ch. 9) or auctioned off all public natural resources to the highest bidder, in order to avoid tragedy of the commons scenarios such as global warming (Smith 1981), or legalized insider trading, in order to maximize market freedom. But we can and do conduct philosophical thought experiments to decide whether or not such policies should be put into place.

Furthermore, there is the issue of giving what should otherwise be patently obvious, a veneer of scientific respectability. As a philosopher, it never fails to astonish me as I peruse management and organization journals, how much empirical research tends to confirm what we might already have realized by doing thought experiments, which are far cheaper and quicker to perform. For instance, there is a wealth of empirical data to indicate that extrinsic rewards tend to decrease intrinsic motivation (Deci et al. 1999; Frey and Oberholzer-Gee 1997; Kreps 1997). Do we really need to carry out studies to reach such conclusions? For logically, to reward extrinsically is to appeal to extrinsic motivation. Conducting empirical studies to confirm this is a bit like conducting studies to confirm that something can't be both red and green all over, or that my right hand can't lend my left hand money, or that virtue is its own reward, or that we reap what we sow. For such studies would seek to confirm logical tautologies, namely, conceptual necessities rooted in the grammar of our language (Wittgenstein 1958).

So if we start paying children, say, \$2 for each book read (as some schools now do), we shouldn't be surprised to find that most will tend to start reading shorter books (Sandel 2011). For this is already a logical given rooted in our very form of life; a truism that forms the background of our understanding about the general world and our engagements within it.

Hence we shouldn't need empirical studies to realize that extrinsic rewards should be used sparingly if the goal is to inspire intrinsic motivation. Similarly, if we want to understand what makes students or employees more intrinsically motivated, we don't always need to conduct empirical research to find out (we also don't need empirical research to explain why this might be desirable. See third section below). We may simply need to engage in more reflective activity generally. Ultimately as researchers, we may find it advantageous to conduct fewer actual experiments and more thought experiments. For the latter are often more practical and expedient.

Induction: Rational Extrapolation

Induction is actually much more commonly employed in management studies. Essentially, it consists in the theory generated from what is often referred to as “qualitative” research. So I won't say much in the way of defending it here. My principle aim is simply to point out that, like deduction, it is primarily conceptual—as opposed to empirical. Induction is employed when we observe certain correlations in existing trends. We then extrapolate theories to best explain what we suspect is a causal link between such trends. This is the general process through which case-based research operates (Eisenhardt and Graebner 2007). It's used in psychology and organizational behavior and everyday occurrences when we try to understand the motivations that inspire the actions of others and sometimes even our own (Friedland and Cole 2013). Much of the most illuminating case research is of this kind. Take Jim Collins' work on companies “built to last” (1994). This work may yet be quantitatively confirmed, as more and more examples of companies that focus on a few core aims of consumer satisfaction stand the test of time. But the theory was advanced and became compelling primarily as a result of the philosophical argument it advanced to explain the long-term staying power of certain corporations.

Another useful function of induction in management and organization research is in fostering creativity and imagination. Thought leaders often come up with revolutionary approaches by means of new thinking. Thinking that doesn't usually rely on empirical confirmation to become compelling. Consider the natural capitalism movement spearheaded by Hawken et al. (1999). While much of the implications of this green approach to business have to do with electrical and mechanical engineering, they rely on a new way of conceiving business. One in which natural resources are seen as valuable capital. From this realization comes a multitude of new business models that dramatically lower energy costs. It has also helped inspire the growing trend of leasing products instead of purchasing them, which may tend to be more wasteful and expensive. Creativity is an inductive process. One that employs the imagination to re-conceive the various environments and obstacles we are confronted with. It is forward-looking by definition and thus cannot rely chiefly on backward-looking case data. It must imagine new scenarios and contexts that have not yet come to pass. This is especially the case in ethics, which I will now consider in the following section.

Grounding Prescriptive Claims and Ideals: Moral Progress

We use inductive reasoning to imagine how the world might be. This activity also allows us to evaluate whether various possibilities would be desirable or not and to aspire to become the

best versions of ourselves. This is what makes moral progress possible. It cannot be that whatever most people tend to believe is good is necessarily good. For then there would be no possibility of moral progress throughout history. For slavery did not become unethical only once most people saw it that way. It gradually came to be perceived that way by the majority through the tireless efforts of courageous activists who worked for change often at significant personal cost. These ethical leaders were radicals. But radicals who had come to realize, mainly through rational philosophical induction, that slavery was an unjust institution.

This is how moral development occurs and continues to occur. For we have not reached the end of history in which no greater moral progress is possible. If past is prologue, our children and grandchildren will look back in judgment on the current era much the way we look through past generations, deeming some as visionary and courageous progressives and others as blind and cowardly retrogrades. This means that we do not discover ethical norms merely by doing psychological research on what most people tend to think at any given time. Such information is valuable, but inadequate to determine the nature of the good, which, like law is chiefly a philosophical discipline.

Science has made significant progress in helping to understand human nature. For example, Lawrence and Nohria have compiled considerable social-psychological evidence suggesting that human motivation is determined by four equally powerful emotive drives, namely, to bond, acquire, comprehend, and defend (2002). Such research, if accurate, refines and enriches our conceptions of what an ethical business is and how it may best be achieved. As such, it provides very real constraints to a priori theoretical constructs on the nature of the good. These may lead us to better understand human flourishing, while some neuroscientific research paradoxically seems to threaten the existence of free will (Sinnott-Armstrong and Nadel 2010). And there are ongoing attempts to naturalize ethics hedonically. Such empirical data could one day revolutionize ethics and law by rooting them entirely in scientific knowledge of what actually makes people happy and what decisions, if any, they can in fact be responsible for making. But even if such a conceptual revolution were to happen, it is still well beyond the horizon as the overwhelming majority of research in ethics and law remains primarily a priori. Furthermore, there are myriad cases in ethics where it is simply impossible or highly impractical to conduct an experiment. Take the previous examples on medical licensure, natural resource ownership and insider trading. Ultimately, questions of how one should act or indeed live are essentially open-ended as they turn upon decisions that take us into the future without recourse back to the past or to a control-group society to observe the results of the opposite decision. As such, we do not rely solely on empirical observation to conduct ethical research.

Without realizing and embracing the conceptual nature of ethics, management theory will not be able to hone its ethical mission and continue to justify its social contributions. Medicine and law gradually became respected academic institutions—against significant opposition—in their own rights largely because they chose to embrace and hone their social missions by establishing professional oaths and engaging in serious and sustained ethical research that is explicitly philosophical (Friedland 2012; Khurana 2007). If management is going to follow in these footsteps, it needs to devote comparable importance to ethics properly construed lest it devolve into ethical irrelevance and obscurity. Unfortunately, most of what continues to appear in the highest impact management journals is still too empirical to include ethics properly speaking. For instead of prescribing policies and practices based on ethical argumentation, management research predominately describes existing ethical beliefs and behaviors (Friedland 2012). Sandel addresses this problem with respect to economics as a discipline, namely, “if economics is to help us to decide where markets serve the public good and where

they don't belong, it should relinquish the claim to be a value-neutral science and reconnect with its origins in moral and political philosophy" (Sandel 2013). Similarly, management and organization science need to move beyond their nearly exclusive focus on moral psychology and into more normative moral philosophy if genuine moral progress is to be achieved.

Conceptual Clarification and Interpretive Exposition: Bridging the Author-Reader Cognition Chasm and Overcoming the Illusion of Unanimity

Let me begin by quoting a key passage by Kathleen Eisenhardt in a highly cited article defending case-based theory building:

"Although sometimes seen as "subjective," well-done theory building from cases is surprisingly "objective," because its close adherence to the data keeps researchers "honest." The data provide the discipline that mathematics does in formal analytic modeling." (Eisenhardt and Graebner 2007).

But how do we in fact know that the data are always being interpreted both correctly and perhaps more crucially, the theoretical conclusions identically inferred between different authors and readers? March and Simon point out that in fact, persons within organizations have a tendency to cast aside uncertainties through a process they refer to as "uncertainty absorption" in which "inferences are drawn from a body of evidence and the inferences, instead of the evidence itself, are then communicated" (1993: 186). This process is part of a larger phenomenon known as *groupthink*. It has been widely reported to occur within organizations including governmental ones in which drawing erroneous conclusions may lead to catastrophic consequences. One would expect more critical thinking to occur in such instances but the opposite atmosphere unfortunately often prevails. Arthur Schlesinger, a White House staffer to President Kennedy during the Cuban Missile Crisis observed that meetings took place in a "curious atmosphere of assumed consensus" (Janis 1972: 39). Similar occurrences happened in the run up to the U.S. Iraq invasion of 2003, which was based on flimsy military intelligence and unnamed sources in news reports at the New York Times (McQueen 2005). In such instances, uncertainties are ignored or "absorbed" by a psychological phenomenon Janis and others refer to as the "illusion of unanimity":

"When a group of people who respect each other's opinions arrive at a unanimous view, each member is likely to feel that the belief must be true. . . . the members support each other, playing up the areas of convergence in their thinking, at the expense of fully exploring divergences that might disrupt the apparent unity of the group" (1972: 38–39).

To embrace Eisenhardt's claim that case data "provide the discipline that mathematics does in formal analytical modeling", runs the risk of mistaking computation for cognition. For theory building is not a mere process of data computation, but a cognitive process of inductive and abductive inference (Mantere and Ketokivi 2013). And while theories may be testable, there's no guarantee that they will in fact be sufficiently confirmed in practice given the uncertainty-absorbing illusion of unanimity. For when "inferences are drawn from a body of evidence and the inferences, instead of the evidence itself, are then communicated . . . the recipient of a communication is severely limited in [the] ability to judge its correctness" (March and Simon 1993: 186). As a result, myriad unwarranted inferences, including whether data exists to

sufficiently confirm theoretical extrapolations, may subsist indefinitely to confirm existing biases.

It is revealing that Eisenhardt compares the use of case data in theory building to mathematics in analytical modeling. She does this because mathematics is considered to be absolutely objective. And this is not a claim I wish to challenge here. Rather, I wish to underscore this point. It is illuminating that disputes rarely break out among mathematicians as to whether a rule was followed correctly (Wittgenstein 1958, §240). This is because when doing mathematics, the evidence is transparently given in the pure reason by which the thinking is carried out. That is to say, there is nothing beyond the reasoning itself supporting the conclusions; no primary empirical data to go back and consult; no experiments to confirm and reconfirm. As such, groupthink is not something mathematicians generally need guard against. That is not to say disputes never break out. There have always been—and continue to be—a number of metaphysical disagreements in pure mathematics, for example, regarding the existence of imaginary numbers, the significance of double negation, set theory, the continuum hypothesis, the process of induction, etc. But these disagreements are almost always transparently evident in the literature itself. For they are purely conceptual in nature and thus not couched in—or shrouded by—any removed domain of empirical observation.

Theory-building based on case data however does not have this luxury for it sits astride two literary and epistemic traditions: one concerned with uncovering empirical (and contingent) *facts*, and the other concerned with uncovering conceptual (and necessary) *truths* (Hacker 2000). Were it purely conceptual, like mathematics or primarily conceptual, like philosophy, it would not have this problem. Similarly, if it were an entirely empirical science, like chemistry, or primarily empirical, like medicine, it might not either. For it would then rely far less on inference. But, like psychology and sociology, organizational behavior is very much a social and inexact science. This means that in some ways it is actually harder to conduct effectively, for its hybrid nature presents its own kinds of challenges, one of which is guarding against the illusion of unanimity. But in order to best guard against this danger, the discipline must learn to embrace its more conceptual nature.

As mentioned in the opening paragraph of this essay, in striving to emulate the extraordinary achievements of the exact sciences, much of organization research has couched itself in a literary tradition that is rigidly empirical. What I mean by this is that instead of supplying arguments and examples—the way one does in philosophy—claims are often made based on purported empirical evidence cited at the end of the line. So we are to take this as a given at that point. Unfortunately, this has been found to create significant potential for methodological misunderstandings (Cortina 2002) and misreported findings based on statistical and methodological myths and urban legends (Lance 2011; Lance et al. 2006). These are essentially cognitive biases that function to absorb uncertainty via illusion of unanimity. They also tend to hinge on methodological questions that are intrinsically philosophical. For example, much of the confusion reported by Lance, Butts & Michels involves the sources of commonly misreported cutoff criteria in factor analysis. Often what is misreported are the arguments provided to support the cutoff criteria. For instance they quote Nunnally's highly cited "Standards of Reliability" section:

“what a satisfactory level of reliability is depends on how a measure is being used. In the early stages of research . . . one saves time and energy by working with instruments that have only modest reliability, for which purpose reliabilities of .70 or higher will suffice. .

. . . In contrast to the standards in basic research, in many applied settings a reliability of .80 is not nearly high enough” (1978).

“Comparing this section to citations to it, we note several things. First, we suspect that most authors who cite Nunnally’s .70 reliability criterion would not agree that they are trying to save time and energy in an early stage of research by using measures that have only modest reliabilities. Rather, we suspect that most researchers would claim to be conducting basic (or perhaps applied) research, for which purpose Nunnally clearly recommended a reliability standard of .80.” (Lance et al. 2006).

The methodological justifications provided here by Nunnally are essentially philosophical. And the misreporting of this reasoning is partly the result of a lack of philosophical reflection in the organization science literature.

In the philosophical literary tradition, if one is relying on another’s argument to a significant degree, then that argument must be spelled out to some extent again for the reader because no conclusions of any argument can ever be accepted as givens. Rather, the thought experiment must be carried out with the reader in order to complete the argument. This is why the illusion of unanimity doesn’t happen in purely conceptual or a priori disciplines such as mathematics and logic. Conversely, were organization research an exact science such as chemistry or biology, it would engage far less in theory-building inference. For most of what the authors and readers would then be doing would be conducting and reporting on experiments. One of the singular challenges of any social science is that it cycles between two kinds of discourse: the empirical and the conceptual, each of which functions according to its own epistemological constraints; the scientific to empirical observation and the conceptual to logical consistency. As a result, it needs to guard against the illusion of unanimity by regularly asking such questions as “why, exactly do we agree on this?”:

“Avoiding excessive uncertainty absorption and the illusion of unanimity requires acknowledgment of the cognitive elements of collective reasoning. This means that coauthors have to develop a mutual understanding of not only the interpretation to be pursued but also the reasoning principles that lead to this interpretation: asking not just “What do we know?” but also “How do we come to know?” (Van de Ven and Johnson 2006)” (Mantere and Ketokivi 2013).

This solution is very much a philosophical one for it consists in conceptual clarification and interpretive exposition. As management researchers, we need to resist the temptation to couch our writing in a veneer of what are taken as empirical givens when these may actually still be underdetermined claims that would best be sorted out by more argumentative transparency including more use of examples. This way, readers would take less for granted as they proceed through the text. For example, when philosophical arguments are employed in organization theory building, they should try to avoid taking the conclusion as a given and simply providing the citation, the way one might refer to a piece of published empirical research. If one is relying on a philosophical argument, then that argument should be fleshed out in sufficient detail to confirm its validity, the way one would proceed in a work of philosophy, logic, or mathematics. Ultimately, organization scholars must embrace the conceptual aspects of their discipline by taking as little for granted as possible. This includes doing the following:

- Clearly defining terms (conceptual clarification)

- Clearly exposing any argument relied upon (asking “how do we know this?” and “is this an empirical or conceptual proposition?”)
- Providing at least one example of any phenomenon referred to (showing what exactly happens, either via observation or thought experiment)

These are good habits of any conceptual discipline for they help us to avoid equivocation and confirmation bias while fostering genuine consensus that does not rely on illusions of unanimity. Doing this extra work will fill more page and thought space, which may leave less room for other ideas and data points in theoretical papers. But that should be worth it if it avoids confusion and improves understanding. For slow and steady wins the race. Or as Wittgenstein said, “in philosophy the race is to the one who can run slowest—the one who crosses the finish line last” (1980).

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Julian Friedland Ph.D., is currently visiting professor of philosophy at the University of Hartford. He has worked in both philosophy and management departments in the United States and Europe. His research focuses on moral epistemology and psychology, specifically on the philosophical motivations of positive moral behavior.