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# THEORETICAL FOUNDATIONS OF MANAGEMENT

*June, 1993*

John R Wilson.

The theoretical foundations of the management of human  
resources within the business corporation.  
Thesis submitted for the Degree of M.Litt.  
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The University of Glasgow.  
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## Acknowledgments.

I wish to thank Dudley Knowles for his guidance, enthusiasm and informed criticism during the writing of this essay. I sincerely appreciate the time he has spent with me in discussion of the issues I have addressed.

The issues in this thesis may not be seen as occupying a place in the mainstream of philosophical interest, but having completed the task, I am now convinced that the management of people in the workplace is a fertile area for philosophical inquiry. I must, therefore, express my gratitude to my friend, the late Eva Schaper, who urged me not to change the subject of the thesis at a time when I considered that the context I have chosen, the workplace of the modern business corporation, would not be seen as central to the academic interests of philosophers.

I am sincerely grateful to my employer, IBM United Kingdom Ltd., for the four years leave of absence they gave me to study philosophy at undergraduate level at the University of Glasgow. Their decision to sponsor me during my extended period of part time study, whilst giving me complete academic freedom in my choice of subject and the opinions expressed, suggests a very enlightened and liberal employer. The thrust of this thesis is directed toward providing a framework for a better understanding of theoretical issues underlying motivation of the worker and it is aimed at managers, management theorists and management ideology in general. My arguments are not directed at IBM United Kingdom Limited, nor are they aimed at any other business corporation.

## Abstract.

The objective of this thesis is to present an analysis to help clarify our understanding of the nature of management of people in the modern business corporation from a theoretical point of view.

The argument of this thesis is that management theory and practice is based on an impoverished conception of human nature. The focus on persons as a resource has led to complacent practices which are doomed to fail. The lack of focus on the nature of the relationship between manager and worker (or employee) is becoming increasingly masked by the focus being placed on the nature of the corporation and its status as a *person*. The notion that the formal organisation of the business corporation is a person in any moral sense, is examined and dismissed on the grounds that there is no clear case for attributing moral personhood to a business corporation. There can be a case for arguing that, under normal circumstances, we do treat corporations as persons in a way which allows us to express our experience of them in ordinary speech. But this intuitive view says more about us, as persons, than it does about corporations. What is important about business corporations is that we should address ourselves to how we should treat them from a moral point of view. My claim about the nature of business corporations is that they are functional entities, forms of organisation of people, designed by people to align the aims and efforts of each member in a common purpose; corporations on this view, are *big motivational devices* and it dilutes the essence of individual moral responsibility to consider corporations as some kind of moral being. Corporations are functional devices operating as regulators of motivation, and of relationships between the people who make them up.

I claim that because the efforts of management aim to get employees to behave *as if* they shared the goals of their employing business corporation, they consistently fail to address the real issues of motivation of the workforce, and that this is a product of the emphasis placed by management on control of their subordinates. As a result an inherent insincerity predominates the relationships existing between persons within the workplace. This thesis presents an analysis of the development of consciousness of *self* as a product of patterns of manipulation emanating from desire and its relation to recognition. It is this analysis which provides a framework for a better understanding of the worker and how work relates to the desire for recognition as a self conscious subject. Management would do better to address the fundamental characteristics of the relationship between manager and worker by dispensing with the impoverished view of human nature implicit in management theory and practice and become receptive to a better understanding of work as a fundamental form of expression of the demands of the self conscious subject. Taking this approach, management would direct their efforts at getting the workers to *actually* share the corporate goals. However, this might create the ideal where the relationships between superior and subordinate, characterised throughout history by ever changing patterns of manipulation, would radically change, perhaps resulting in no need for managers.

## Introduction.

There are two central points which this thesis aims to establish. This first is that philosophy is a much undervalued academic pursuit, and philosophers are to blame. The value of philosophy is not realised principally because it is restricted by the lofty status it enjoys as an academic subject. Whilst philosophers continue to ignore the very practical and real problems of the world, that real world is very steadily creeping in upon philosophy itself. As an academic subject, it offers little to indicate that it could be valuable beyond the confines of universities. The lack of evidence of the value of philosophy as an academic pursuit consists in an apparent unwillingness to seek new contexts in which philosophy could make a real contribution to a clearer understanding of the communities in which we live.

To most of the general public the term philosophy is interpreted in many different ways, but when used as a term describing an academic subject, it brings with it connotations of inaccessibility. As an intellectual pursuit, philosophy does not generally have practitioners that have a bearing on the world in the way that other intellectual pursuits do; Seldom are philosophers selling their time to industry to guide the businessman on how to analyse a project in terms of its internal consistency, or to facilitate and direct a discussion between executives to help establish corporate or company goals. There are no doubt many initiatives and perhaps successful endeavours on the part of philosophers to offer some tuition to industrialists on such topics as creative or logical thinking. On the other hand, philosophy has made a significant impact in helping to form the laws of the land by leading study groups commissioned by the government to formulate policy on the ethical aspects of law on abortion, adoption, children's rights and so on. But there is an extremely large area of potential interest to philosophy that I seek to draw attention to; it is the area of activity in which most people spend most of their

time - that is management, or to be precise, being managed. What we do and what we have done to us in the name of paid employment pervades every aspect of the life of each individual in the modern industrial society. We cannot escape the fact that we spend most of our lives in organisations whose very existence is determined by the requirement of human beings to manage themselves and others.

Not only do we generate most, if not all, of a nation's wealth via corporations, but we live and die in formal organisations, which are little different from the business corporation. It is surprising and somewhat disturbing to realise how much philosophers have to offer the large business corporation and how little interest is in evidence in the influential management literature. This thesis is an appeal to philosophers to take an interest in the way people live - that is, the occupational life of the community. By making my second point, I shall demonstrate that philosophers are leaving it to others (ill-fitted for the role) to engage in the philosophical problems and challenges in business and the world of work - that very context in which we spend most of our lives.

The management of the modern business corporation has, in recent years, been seeking not only to justify the methods it employs in using the labour of its workforce, but also to establish management as an academic pursuit. The consequence of this is that *management theory* has become an academic subject in its own right and has utilised significant output from the sociologists, psychologists and the academic world in general. The terms and concepts which philosophers use so guardedly and so rigorously are becoming common parlance in the management briefing rooms, the consultants reports and management communication documents. Philosophising by theorists, in the most careless sense, is to be found in management journals, briefing documents and the business literature in general.

As the contribution to management and their business organisations from psychology and sociology are being valued less (perhaps because they have become exhausted with *management* as a topic for study), the use of philosophical jargon is on the increase. Successful managers are writing about their success in terms of an *identified formula* expressing the view that people can be managed and business will succeed if this or that method is followed. Books are sold which do

little more than trade in hacked out jargon and worn out psychology. The latest set of terms and buzz words are being taken from philosophical literature. Concepts, terms and arguments are being used and abused in a way that gives a kind of credibility to management theorists and enhances their status as students of human behaviour who can formulate a method applicable to almost any situation that any manager can use to successfully motivate and control his employees.

Not content with their success in business, those lucky few then seek further applause by writing the book on how they did it! Seeking academic credentials, one finds a multitude of publications expounding one theory after another, and the careless use that is made of philosophical terms in these publications can do nothing but damage to the subject and its role in the longer term. For example, consider just what the Kuhnian-sounding term *paradigm paralysis* might mean. Those to whom it was sold as a management concept did not question it too much, but it was sold very successfully by the business consultants, who also shipped a whole pile of such nonsense with it. If one were to determine its meaning by observing its use, it simply means an inability to see things differently - which when cashed out, means the unwillingness to accept change and really means an inability to see things from your manager's point of view.

It is imperative that, if philosophy is not to be consistently abused and undervalued, the business world must be considered by philosophers as a perfectly legitimate context in which to contribute to the debate on issues surrounding the human condition. This thesis is therefore practising what it preaches: although perhaps not constructive, it aims at knocking down some attitudes and ideology prevalent in management theorising and setting the foundation for a proper understanding of the relationship between employer and employee.

The second point which this thesis aims to address is that management theory is in its intellectual infancy and its practice in the modern business corporation is correspondingly crippled. My charge against management and their theorists is that they do not seem to care about the truth of their theories. They are instrumentalists in a double sense - arguing thus:

*We are not interested in what really makes individuals tick. What is important is identifying and working from those assumptions which are best geared to achieve a pay-off in terms of productivity, growth, profit and so on.*

It is for this reason that the theories of human nature they put forward are not defended by management theorists. For the curious, a few authorities are cited; for the sceptic, it can be pointed out that truth does not really matter:

*Look! Study the case histories, this theory will deliver the goods (literally) if you put it into practice.*

A management theory which exhibits a crude treatment of people in its assumptions, diminishes them (albeit theoretically) and must in its application be seen to be devious, otherwise it is manipulative. If the employee is not to know the assumptions upon which such a practice is founded, then its efficacy depends upon the employee not understanding what is going on (not smelling a rat). As soon as employees judge that they are being undervalued the dominance and submission game is on - the practices will be subverted and the management instrumentalism will fail. It may lead to false assumptions which may work for a time, but when these are unearthed, as they surely will be, then it's back to the drawing board.

This thesis draws the conclusion that a management theory must proceed on the basis of realistic theories about employee motivation. At present it seems that management, when looking at how to motivate their workers, at first blinker themselves and then see employees, production and other factors relating to their endeavour in very narrow terms. Somehow openness, open-mindedness and a willingness and capacity for experiment must be injected into management theory and the system of management training.

The manner in which I have presented this thesis expresses implicitly my point about philosophers and the contribution they can make to the working life of citizens in general and the performance of business in particular. My charge of instrumentalism on the part of management is set out explicitly in what follows.

The remainder of this introduction cites some views on organisations and motivation. My aim in presenting a brief illustrative account of organisations is to set the context in which my discussion will take place. I take it as given that formal organisations exist as a means of organising people in a way which will motivate them to act in pursuit of established objectives (regardless of how crude or sophisticated the terms in which these objectives may be expressed). After the brief survey of payment systems and motivation in this introduction, I tackle the notion that the organisation is something other than a collective of people unified in some way by their status as members of the organisation.

Chapter One therefore takes on the notion that is becoming ever more popular in management theory and popular philosophy, that the organisation is in fact a *person*. Chapter Two illustrates a management practice (known as Management by Objectives) which was once a theory and practice in its own right, but now has many variations. I have tried to pick out the essential elements of this management method and show that its *success* is not due to the individualistic assumptions upon which it was constructed, but that it draws upon something much deeper than that which led to its design.

Chapter Three addresses the concept of a person from a standpoint which criticises the philosophy of individualism (in a very general sense) for its fostering the notion that the *self* is *given* and not a product of experience. My reason for taking this critical line is to do two things. The first is to contrast the self of individualism with the much more rich and complex concept of self as a product of community; the second is to break down this impoverished concept as an inadequate view of the individual - a view which seems to have such strong appeal to management that it blinds the management theorists to the alternative views on the self-consciousness of the individual.

Chapter Four argues that self is a rich and complex concept which is developed by way of interpersonal interaction. The interaction is depicted in terms of dominance and submission - a mode of engagement motivated by desire for recognition. I argue that it is out of this scenario that the notion of work as a formative activity is generated and pursued.

Chapter Five presents a concrete example of management theory and practice. This is a very real example of management practice which not only denies implicitly that human beings, as workers, should be treated as complex beings, but also engages in a pretence which amounts to concealing the fact that the practice rests on a theory which assumes employees to be simple, reward orientated beings. The inherent manipulation and dishonesty in this practice can only lead to failure. It is illustrative of the inevitable manipulation which is generated by closed systems of management, where only those in control can know the full extent of the callousness of the assumptions upon which they are based. As one might expect, this manipulation is reciprocated by the workers. Management hold the key to unlocking this conflict, but there is little prospect that they will remember where it was hidden.

## **Organisations and Motivation.**

Etzioni (1964) defines *Organisations* as “social units (or human groupings) deliberately constructed to seek specific goals”, which, on his view, quite simply states the key characteristic of all formal organisations. On this account, *formal* organisations are not random, unplanned occurrences but are social entities which are the product of acts of deliberation and planning. Etzioni distinguishes between formal organisations and other unplanned social entities such as families, tribes and ethnic groups on the grounds that organisations are *rational*<sup>1</sup> insofar as they are deliberately constituted to carry out key tasks in the pursuit of stated goals and objectives.

It has been argued that organisations are a fundamentally important feature of modern society; this would seem obvious even to the disinterested and it is hardly illuminating for Etzioni to point out that “we are born in organisations, educated by organisations, and spend much of our lives working for organisations”; the

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<sup>1</sup> This term is used widely in Organisational Theory, and although its meaning varies from one author to another, it is generally accepted as a technical term within this field of study. Its use will be addressed and questioned in my discussion of the moral responsibility of corporations.

question is why? Why also do we spend so much of our leisure time in organisations? In fact, most of us will die in an organisation and, as Etzioni also points out, "when the time comes for burial, the largest organisation of all - the state - must grant official permission." There are many reasons why organisations are worthy of analysis, and much has indeed been written about the importance of organisations and their impact on individuals and society,<sup>2</sup> but the answers to the questions above lie in an understanding of the function of organisations in the lives of citizens in general.

Organisations can be very powerful and can, both directly and indirectly exert a powerful influence over the life of states, communities and individuals. In most instances we are directly dependent on organisations for our livelihood. They provide employment, goods and services which allow us to maintain and improve our quality of life and standard of living. Furthermore, the effective working of an industrial society can only be realised through organisations allowing specialisation and mass production. In fact, the return to a pre-industrial world without large organisations seems not only unthinkable but also unworkable! The *professional* expertise so necessary to the skill and knowledge base of society, as well as the growing technological complexity in many fields, are invariably organisationally based. For example medicine requires an organisational support base and medical techniques, treatment and nursing care are usually best provided in a capital-intensive hospital environment.

Disenchantment with organisational life frequently pervades accounts of experiences of individuals who have seen the more unpleasant aspects of the power and authority of organisations. Solzhenitsyn's description of life in Soviet forced labour camps in the *Gulag Archipelago* illustrates this in the context of a totalitarian organisation. In contrast, a more orthodox view of organisational life is frequently cited by American journalists who depict the benefits of a large-scale materialistic consumer society as bought at the cost of unpleasantness, boredom, fatigue and routine of many production processes.

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<sup>2</sup> See Bradley & Wilkie 1974.

Work is undoubtedly the source of many personal discontents and many would prefer not to have to do it. The importance of work to our lives raises the interesting question of the extent to which organisational roles exercise an influence over us outside the organisation as well as inside it. Attitudes and values acquired within an organisation may spread over its boundaries to influence our behaviour in those parts of our lives which are remote from the direct influence of organisational rules and characteristics.

The influence of organisations raises further issues regarding their accountability; they are outside the formal political arena yet they have been seen to share or effectively take over powers initially exercised by government. Most governments have no reservations in principle about handing over decision-making powers to organisations which are not directly accountable to the public at all. The Conservative and Labour governments in Britain during the past twenty years have seen fit to work hand in hand with the trade unions and employers' organisations. Whilst this may be inevitable since government may neither have the resources nor the expertise to legislate unaided in highly complex technological matters, the question arises as to what is it about organisations that make it acceptable to an electorate for democratically elected governments to abdicate power or responsibility in this way.

Probably the most prevalent reason given for studying organisations is to seek a way of improving the management (and control) of the people within them. Organisations represent collective action. For goals to be attained effectively and efficiently managers must understand the processes which occur within organisations, and the way that these might be improved.

Let me now review in outline the various views and theories<sup>3</sup> which have proved most influential and resilient in the study of organisations.

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<sup>3</sup> The very loose sense in which I use the term *theory* reflects the very imprecise way it is used in management and organisational studies in general.

**Classical Theory of Max Weber:** From a study of authority relationships in society, Weber (1922) produced an incisive characterisation of bureaucracy. Its growth in society, he insisted, was allied to the development of industrialisation. In outline, Weber's view of society was one which identified certain evolutionary or developmental tendencies. Traditional patterns of authority, represented for example in kinship systems, were giving way under the drive to industrialisation towards a legal/rational form of authority. Persons exercising the power of command in such a society were appointed not by custom and tradition but by legally sanctioned procedures. Weber showed that the process of modernisation in society involved a process of rationalisation of authority relationships. Such a rationalisation process had organisational consequences. Bureaucracy represented the development of an organisational system constructed upon a bedrock of rules and regulations. The impersonal application of these rules to both members and clients (rather than rules based on the whim of an autocrat) would render the organisation instrumentally effective to attain its goals.

**Henri Fayol:** Fayol (1949) attempted to provide a universal approach to the problems involved in administering organisations of all types, public or private, large or small, manufacturing or non-manufacturing. He employed an inductive approach to the organisational phenomenon, attempting to derive general principles applicable to all situations. He had a mechanistic view of organisations. Relatively unconcerned with the behavioural characteristics of individual workers, Fayol provided a top down or strategic view of the organisation. In essence, he argued that the administrative functions of any organisation could be divided into the following; forecasting, planning, organising, commanding, co-ordinating, and controlling. He stressed the necessity for authority, clear objectives, decisions and tasks, and insisted that one of the cardinal principles of organisation should be the establishment of a unity of command from top to bottom. All personnel should be linked in a clear hierarchy. Similarly, the *span of control* of managers should be bounded so that they supervised a limited number of subordinates. An exception principle should also operate with routine decisions being delegated to subordinates.

**The Scientific Management of Frederick Winslow Taylor:** Taylor centred on the workshop which he saw as the focal point of the organisation for the application of his system of *scientific management*. Taylor regarded the problem of organisation as a technical one requiring the consideration of three separate but linked aspects of organisation. First, questions of organisational structure and routine. Secondly, problems of work and task design. Thirdly, the question of the selection and motivation of workers. The first of these did not detain Taylor long. However, he did produce an important interpretation of the matter of *unity of command*. He authored the idea of *functional foremanship*, seriously contending that workers should be made responsible to four first-line supervisors rather than one. This, on the grounds that a division of supervisory responsibility could lead to more effective control.

Taylor, however, claimed that his system was more than a way of running the industrial organisation more efficiently. In his view it removed dependence on personal authority and he said that it “substituted joint obedience to fact and laws for obedience to personal authority. No such democracy has ever existed in industry before” (Taylor 1911:217). In the pursuit of his version of industrial democracy he advocated a reversal of the relationship existing between the manager and the worker. The manager was to become the worker’s servant or assistant, and his main function was to provide all of the assistance of efficient organisation, training and unimpeded material supply. The manager was to be, in a sense, a resource.

It is generally accepted that *scientific management* failed. Taylor complained that whilst certain technical components of his system had been accepted in isolation, his philosophy had never been completely applied as a whole system. Yet its real influence is considerable. It has provided the foundation for what has come to be known as *administrative managerial theory* (a variation of organisational theory) and the so-called technical aspect of management; this includes the foundation of the apparatus of job analysis and evaluation, production planning and control, and functional organisation itself.

Taylor may not unfairly be presented as the father of ergonomics or time and motion study within the organisation. The basis of his method was the detailed and careful analysis of all tasks and functions within the organisation along with time studies of the component parts.

The second element in this approach was the selection and training of a staff of first-class men, producing a *fair day's work*. Taylor believed that organisational inefficiency could be rooted out by showing workers that it was in their interest to put in a fair day's work. Paid according to piece-rates, they would thus gain a greater return on their investment of toil. Management would similarly benefit. This simple *truth* contained in Taylorism must have seemed extremely seductive to owners and managers of his time and it continues to act as a central feature of management ideology to the present day. Conflict and restrictive practices were anathema to Taylor. Both impeded the move to a more productive organisation and society. He took a hostile view of trade unions, seeing them engaged in the crime of encouraging *systematic soldiering* - the collective withholding of labour.

Taylor attracted many followers, to the extent that *Taylorism* possesses historic significance: it represented a consistent attempt to improve organisational performance through close examination of work and individual human characteristics.

There is little doubt that all organisational theories represent the prevailing cultural and historical values of Society. For example, Fayol's *centralist* solution to administration reflected its French origins, just as the *individualism* of Taylor, based on his concentration on the worker as his unit of analysis, reflected the *new frontier* of American folklore. Both, however, were testimony to an idea which has acquired surprising resilience, that there is *one best way* to run organisations. When questioned many managers often express the view that there is an obvious or *golden* solution to all organisational problems.

**Human Relations Theory:** Just as many of the ideas of today's managers can be traced back to the writings of the classical school, the work of another group of theorists, human relationists, has been equally influential.

While Etzioni is undoubtedly correct in stressing that human relations theory marked a significant break with its classical counterpart, it should be remembered that both classical and human relations writers proceeded from the same point of departure, which is that organisations could be rendered more efficient and productive. This point of departure is exemplified by a summary of the characteristics of the, so called, model of human beings and the organisations to which they belong.

1. Individuals are primarily motivated by economic incentives and will do that which gets the greatest economic return.
2. Since economic incentives are under the control of the organisations, man is essentially a passive agent to be manipulated, motivated and controlled by the organisation (through the provision or withholding of economic rewards).
3. A person's feelings are often a source of irrationality and must be prevented from interfering with his rational calculation of self-interest.
4. Organisations must be designed in such a way as to neutralise and control individual unpredictability. This will be achieved largely through the imposition of constraints and the provision of economic incentives.

However, as a result of empirical research conducted by Elton Mayo (1945) and others at Harvard University in the 1920s and 1930s, the above model of organisations and *organisational man* was revised in favour of another comprising the following elements:

1. Man is basically motivated by social needs as well as his economic needs. He obtains his basic identity largely through interaction with other human beings and not exclusively in the work situation.
2. As a result of the rationalisation of work, meaning has gone out of work and must be sought in the social relationships within the organisation.
3. The focus of the work group will do more to influence behaviour than the incentives and controls of managers.

4. A supervisor will only be effective to the extent that he can satisfy his subordinates' social needs.

This approach had such a significant impact on organisational and management theory and practice that the cult of the group began to dominate managerial thinking. The reported findings of the Hawthorne<sup>4</sup> studies were so contrary to the school of scientific management that its influence was the cause of significant revision of many organisation and management theories; but, like many of the profound findings in this area, it suffered from over-generalisation and has since fallen almost out of fashion.

Mayo's work gave considerable credibility to the view that groups aided creative thinking and therefore such practices as *brain-storming* became the way of generating new ideas which, because they were produced by the group, would be acceptable and in fact promoted by the group. Whilst it took some considerable time before anyone got round to testing the validity of this belief in the power and effectiveness of *group thinking*, the fact that it was found to be true only to a limited extent<sup>5</sup> has not significantly inhibited this method of problem solving in industry today. It is still a widely used practice.

However, the most important effect of Mayo's Hawthorne experiment was that descriptions of organisations in purely formal terms provide only a partial and incomplete picture of their complexity. To the classical view, that the organisational chart and impersonal authority structure were all important attributes, was added the human relations perspective that organisations are not simply to be seen as machines. They are, additionally and importantly, informal social systems. Behaviour in organisations may, or may not, conform to managerial purpose. People are social actors enmeshed in a cultural system of socially acquired meanings and values. Such a system, unless properly handled, might frus-

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<sup>4</sup> See Roethlisberger and Dickson (1939).

<sup>5</sup> For a re-assessment of the group approach, see R M Belbin (1981).

trate managerial intentions and policies. The Hawthorne studies revealed the presence of groups at every level of the organisation and two basic group processes were identified:

- Conformity - groups were seen to develop norms or standards of behaviour to which their members were induced to conform;
- Support - groups provided comfort and aid to their members, particularly in frustrating or threatening environments.

The studies carried important implications for managerial strategy. First, the manager must pay attention not only to the economic motivation of subordinates but should also concern himself with their needs for social acceptance, belonging and identity. Secondly, he should recognise that informal groups in organisations pose a puzzle. Well-handled, they can act with considerable effectiveness as law-enforcing agencies within the organisation, bringing the behaviour of their members into conformity with managerial purpose. Badly-handled, such groups can direct the efforts of their members in opposition to organisational goals. Managers should adopt a supporting and counselling role. They must harness group forces and ensure congruence between group norms and organisational mission. In this respect, the style of leadership adopted by management is extremely important. The assumption lying behind such human relations thinking is that employees will work harder for managers employing a participative and supportive rather than directive stance. Good leadership, on this view, consists in a democratic rather than authoritarian approach, and is concerned with the establishment of good interpersonal relationships rather than the rigid enforcement of bureaucratic rules.

**Systems Theory:** Whilst *Classical* and *human relations* theory have both been subjected to criticism in later years, one of the more modern developments is *systems theory*. A wealth of literature has appeared in recent years outlining and developing the idea that organisations have system characteristics. The key ideas in this literature are as follows. First, each part of the organisation is seen as being inextricably linked with each other. Change introduced at one part of the

organisation will, therefore, have repercussions throughout. Secondly, in order to survive, the organisation must take in *inputs* from the wider society outside - men, materials, money and so on. These it will transform into *outputs*. This implies that the boundary between the organisation and society is open rather than closed. The important point to bear in mind here is that of organisational variation. Organisations must be assumed to operate in widely differing environments occasioning differences in design and established patterns of organisation. This is in contrast to the ideology of classical management that there is *one best way* to run all organisations.

**Contingency Theory:** One example of systems theory is contingency theory. This is based upon the view that organisations and management processes vary with purpose, environment, technology and a whole range of other situational variables. Contingency theory rests upon the assumption that organisational characteristics have to be shaped to fit best with situational circumstances.

The contingency approach takes account of the variation to be found in organisations; the implication of this is that management methods found useful in one organisation may be transferred only with the greatest difficulty to another of a different type. In some cases, the transfer of a particular method may diminish rather than improve organisational performance. The variation referred to here is the following: first, the question of ownership seems to be of significance, in particular whether the organisation is publicly or privately owned; second, the size of organisations is felt to be significant; and third, organisations are widely expected to differ in terms of the environmental and technological circumstances they face. Contingency theory has brought about a reorientation in thinking since the early days, and has resulted in a move away from certain simplistic assumptions contained in early theory. The dominant (bureaucratic) model of organisations featuring in early accounts, has been modified in favour of the view that while bureaucracy is viable in certain situations, it is a liability in others.

The acknowledged variation in types of organisation, has also influenced the thinking in terms of the organisational man; this model has been dumped in

favour of a more sophisticated, contingency model. Individuals are now assumed to be much more complex motivationally than was originally thought. While some individuals may be motivated by money, others appear to be motivated in a much more complex fashion. Early views seem to suggest that achieving improved motivation is only a question of providing extra money.

While contingency theory has served to change the views on organisations, other developments have also been significant. Industrial sociologists and industrial relations experts have moved away from the unitary view of organisations which characterised early theory in favour of a more pluralistic account of their working. Early theorists are now regarded as having failed to appreciate the complexity of the relationship between manager and worker. These earlier writers and students are considered by later writers to have mistakenly taken social harmony for granted.

There is now a more jaundiced view of the issues of conflict and cooperation in organisations. Although it is accepted that cooperation to some extent is forced by virtue of the function of the organisation itself, there seems to be a greater awareness of conflict as ever prevalent in the organisations of industrial society.

Motivation is a relatively new word in the manager's vocabulary. More often than not textbooks on management written some thirty or forty years ago would not have included the word in their indices. To the conventional manager, motivation presented, and to many still does present, few problems. The relationship between manager and worker, between employer and employee, was a simple contractual one. The employee entered a contract to perform certain activities for which he was paid by the employer. The manager acting on behalf of the owners of the enterprise made use of the firm's property or capital to increase wealth. What he did or how he did it was no concern of the worker. The latter was to contribute his effort, ability and skills during the working day, as the manager saw fit. If the worker performed his task exceptionally well, or perhaps simply to a previously set standard, the worker might have received increased reward. If the worker failed consistently to meet the standards required of him, he could be penalised financially for his failures and would soon be dismissed from that employment. So

what was the problem? The worker was there to do as he was told. If the worker was not motivated to perform the task well, the employer could motivate him by threatening to penalise him financially or threatening him with the sack. That was motivation by fear - the oldest form of motivation, that which moved the slaves who built the pyramids or who rowed the galleys of the ancient world. And there is still a lot of it about. There is evidence that in severe economic recession managers find it congenial to return to that ancient habit. Early in 1983, headlines in the Scottish press told of how an American-owned company gave their workforce the choice of a wage cut of between 13 and 18 per cent, or face the closure of the plant and search for new jobs in an area where unemployment was then over 20 percent. When employers have great power over their workforce, as in a recession, the temptation to manage by fear is ever-present.

Motivation, then, became a subject of serious study for managers when it became apparent that old-fashioned motivation by fear or by economic incentive was not having a great deal of effect. In conditions of overfull employment, the norm for most Western societies from 1945-1975, managers had to find new ways, different ways, to get people to perform to an acceptable standard. Management by threat did not work. If an employee did not like the way he was treated, he would seek and quickly obtain employment elsewhere. In times of rising demand for industrial products and of full employment, trade unions could become stronger. Demands could be made of management. Management might resist but soon the top leaders of a company would realise that the costs of fighting a particular dispute would be greater than submitting to the employees' demands, but this was at a time when demand was running ahead of competitors' ability to supply the market, in the new industrial state of the 1960s. The costs of disputes could be therefore be passed on to the customer.

One reason, therefore, for the increased concern for understanding employee motivation stemmed from an erosion of managerial power which rendered managers' traditional methods of coercion and incentive obsolete. Not merely was it costly to have confrontation with the workforce, in day to day activity, attention had to be given to getting employees to give of their best when fear was absent. Where

a man was performing some boring or arduous job and he was not paying a lot of attention to quality or quantity of output because he no longer feared the consequences of not doing so, and his rising level of *normal* pay meant that the earning of bonuses for high output or the opportunity to earn extra income through overtime working was less important to him, management somehow had to motivate such a worker.

There was, however, another reason. In enterprises characterised by a large number of semi-skilled or unskilled jobs it could be argued that, provided management were able to use effective methods to control both quality and quantity of output, then it was not too important that the workforce was unmotivated. It has been becoming apparent, however, that an increasingly important number of tasks could not be controlled along conventional lines. The phenomenal growth in the employment of scientists in industry is the most striking example of the trend for organisations to require new skills. Moreover, while the typical line manager knew well enough the tasks his subordinates had to perform, the managers responsible for directing the increasingly specialist world of the scientist could not. Increasingly, managers were having to supervise, or be responsible for, the work of others whose jobs they could not themselves do. The tendency for work to become more complex, and, at the same time for the jobs of those carrying out the work to become more specialised, has created new problems for managers which traditional or conventional methods of managing cannot resolve. Hence the concern for new ways of motivating people to work.

## **Motivation**

What we mean by motivation, and what moves people to work, is difficult not only because it touches on the very nature of the human beast, but also because a an apparently simple response will suffice as an answer - namely *money*. But money for what? For survival, to earn a living to get the basic necessities of life, to provide for one's wife and children; this would feature highly as a first response. It would be odd to suggest otherwise, yet whilst these appear to be some of the fundamental reasons for working, these reasons do not take us very far in trying

to understand the motivation of the worker to work as though the company's goals were his own.

Habit also features highly as a reason why people work. We do not know what a world without work would be like. Similarly, there are social pressures. Everyone else expects you to work. Thus, in working, we are succumbing to social norms not just our own beliefs. Money is sought not just for necessities but as the wherewithal for conspicuous consumption - the new car, the video camera, the holiday abroad. At work, considerations of status are reflected in the concern with which individual managers view differentials between one post and another.

We also work for personal gratification. Some people find their jobs challenging, interesting, enjoyable for their own sake. Others work for promotion in order to gain greater control over their own destiny, or to get greater autonomy. Others find satisfaction in taking responsibility and being in control of others. Another motivation might be escape. Work can provide welcome relief from family and social pressures. Others may find enjoyment in the company of fellow workers or managers that the workplace affords them. Another explanation may be found in the search for higher prestige or status which *better jobs* bring. Managers are motivated to aspire to higher positions to gain extra prestige and status. Status, however, means more than simply entitlement to a leather-topped desk, a fitted carpet and a key to the executive lavatory. Status is not only relative, it is part of one's identity. On meeting someone at a social gathering, it is quite common to want to know certain facts about the person in order to relate that person's place or position in the world to that of one's own. We must know such things as the name, address and what he does for a living. We feel we must know such things as these to have a meaningful conversation. More significantly, someone without a job is someone without a place in our society. Without work, one loses important aspects of identity.

We can see, therefore, work may be for more than bread alone. Work has a deeper meaning that suffuses social relationships. When people say they work for money, what do they mean? Money for what? For necessities, for luxury, for status? How often are industrial disputes caused by differentials between different

occupational groups? It was argument about the differentials between traditionally skilled and semi-skilled and unskilled groups of workers that very nearly killed *The Times* newspaper. Early in 1983, trade unions representing water workers in England and Wales seemed more interested in establishing parity or restoring claimed relativities with workers in the electricity supply industry than in arguing the merits of their own case by using such grounds as erosion of purchasing power by inflation or improved productivity as their justification.

To say that motivation equals money reward is much too simplistic. A demand for money tells us that a worker wants something, but it does not tell us what is demanded. We have seen industrial conflicts that are ostensibly wage disputes, in that they are primarily about differentials, but in reality turn out to be about the relative status between different occupations; money functions in this instance as an index of status. Money can act as a symbol in other ways, often serving as a substitute for other grievances to *legitimise* causes of disputes in a work conflict.

### ***Theories of Motivation in Management Literature.***

Vroom (1964) described motivation as “The process governing choices made by persons among alternative forms of voluntary activity.”

**Early Motivation Theories:** The early theories of motivation can be divided into three approaches commonly known as *satisfaction theories*, *incentive theories* and *intrinsic theories*.

**Satisfaction Theories:** These are based upon the assumption that a satisfied worker is a productive worker. However, there is very little evidence to suggest that a satisfied worker actually works harder. It certainly seems quite in accord with common sense that a satisfied worker will tend to stay in the same organisation. Actions, therefore, to improve conditions at work and worker morale may reduce labour turnover and absenteeism, but will not necessarily increase individual productivity.

*Incentive Theories:* These rest on the assumption that an individual will increase his efforts in order to obtain a desired reward. One of the major forms of motivation traditional in British industry is the use of financial incentives such a *Payment by Results* schemes - the object being to increase productivity by offering greater financial rewards: this requires a further assumption that it is possible to measure work accurately enough to ensure that a worker is paid according to the results of his efforts. A standard unit of work is measured and a price attached to it, usually through time and work study.

Incentive theories can work successfully if

1. The individual perceives the increased reward to be worth the extra effort.
2. The performance can be measured and clearly attributed to the individual.
3. The individual wants that particular reward.
4. The increased performance will not become the new minimum standard.
5. Employees and management have the same concept of effort required of a job and the correct rate of payment for it.

There are difficulties, though, in measuring the time taken to do a job. Workers may introduce additional work elements to lengthen the operation while it is being timed and discard these as soon as the time has been established. Thus enabling them to obtain a good rate and earn an easy bonus.

Consider some of the types of problem that bear upon financial incentives

- bonus schemes that are so complex that workers do not understand them.
- effects on the quality of products.
- rivalry and jealousy caused by differences in individual earnings.
- difficulties in allocating work to ensure a fair distribution of jobs among workers.
- output can be limited by factors outside the workers' control such as machine speed.
- loss of earnings if trade declined.

***Intrinsic Theories:*** These are based on general assumptions about human needs along the lines originally advocated by Maslow (1954), who suggested that there is a hierarchy of human needs:

- self-actualisation needs
- esteem needs
- social needs
- safety needs
- physiological needs

Maslow postulates that needs are only motivators when they are unsatisfied. The lower-order needs (i.e. physiological and safety needs) are dominant until satisfied whereupon the higher order needs come into operation.

McGregor (1968 ) put forward two sets of propositions and assumptions about man in the organisation:

Theory X says of man that he is by nature lazy, lacks ambition, dislikes responsibility and is indifferent to organisational needs. Therefore, management should be responsible for organising the factors of production i.e. control employees, direct their efforts, motivate them, modify their behaviour to fit the needs of the organisation.

Theory Y says that man is not by nature resistant to organisational needs. They have become so as a result of experience in organisations. Motivation, potential for development are present in people and it is the responsibility of management to make it possible for people to develop. Management's essential task is to arrange the conditions and methods of operation so that employees can achieve their own goals best by directing their own efforts towards organisation objectives.

#### **Alternative Approaches**

***Herzberg's Two-Factor Theory:*** Herzberg (1966) maintains that in any work situation, it is possible to distinguish between the factors that dissatisfy and those

that satisfy. These are not opposites. The dissatisfying factors are called hygiene factors and refer to the conditions or work; company policy and administration, supervision, salary, interpersonal relations, physical working conditions. These are necessary conditions of successful motivation. The satisfying factors are called the motivators and relate to: achievement, recognition, the work itself, responsibility and advancement.

**Expectancy Theory - The Porter-Lawler Model:** Effort and performance are the two main variables in the expectancy theory of motivation. Effort is the amount of energy an individual puts into performing a task. Performance is the amount of task accomplishment and the amount of successful role achievement.

There are two factors which determine effort:

1. Value of rewards e.g. pay, promotion, sense of achievement.
2. Probability that rewards depend on effort.

The relationship between effort and performance is influenced by abilities, i.e. intelligence, skills, and by role perceptions, i.e. the kinds of activities and behaviour in which the individual feels he should engage in order to perform his job successfully.

Expectancy theory focuses on the perceptions of people and implies the need to find out about employees' views. It also implies that effective performance leads to job satisfaction, rather than that satisfaction leads to effective performance. Therefore, attempts to enhance satisfaction may have little direct effect of performance. Clear links should be established in the eyes of the individual between effort, performance and rewards.

**Motivation and Payment:** Although there is no single theory of motivation, what comes out of the different theories is that methods of payment play a significant part in motivating employees. Money is very important to employees, but it is

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<sup>6</sup> See Porter, L. W., and Lawler, E. E. (1968).

not their only consideration. Offering purely financial incentives to employees will not always increase productivity: how these payments are made and the conditions of the work itself are important.

What is apparent from the various theories of motivation is that there must be a clear link between increased effort and increased payment. If an employee can not see that an increase in pay was due to extra effort on his part, then it is hardly likely to have any impact on motivation. This all seems to point to the conclusion that financial incentive schemes such as Payment by Results are the most successful methods of motivating employees, but as pointed out earlier, there are various problems associated with such schemes (e.g. rivalry, fluctuating earnings), and they do not take into consideration the conditions of the work itself.

Payment systems are methods of determining an employee's wage or salary and play an important part in the efficient running of an organisation and in employee-management relations. In the UK, ACAS<sup>7</sup> identify seven types of payment system all with the basic theme of using them as a means of motivating employees.

***Time Rates of Payment:*** This method of payment is the most common system used in the UK. Time rates are usually expressed as an hourly rate, a weekly wage or an annual salary.

Time rate systems are simple and easy to administer and give employees a sense of stability. However, they provide little motivational incentive to employees because an employee knows the salary he will receive regardless of performance.

***Individual Payment by Results (PPR):*** This is the second most commonly used payment system in the UK. In this case, an individual's earnings are based directly on his or her personal performance e.g. output level achieved over a set period.

There are two types of individual PPR:

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<sup>7</sup> ACAS Advisory Booklet No. 2

1. Piecework - the employee is paid at a specific rate (or price) per unit of output.
2. Standard Time - similar to piecework, but a standard time is allowed to complete a particular task. The employee is paid for each task completed.

To operate an individual PBR scheme, standards of performance must be set. This can be achieved by work study i.e. studying and timing employees' performance, or by predetermined motion time systems i.e. a new task is broken down into elements that have been timed previously and then by reassembling these elements a standard time for the new task can be built up.

Individual PBR schemes provide a clear incentive effect on employees as they can recognise the relationship between their own efforts and their earnings. This fits in well with the Porter-Lawler model, which stresses the importance of establishing a clear link between effort, performance and rewards. However, for such schemes to work, certain conditions must apply:

- work is measurable and attributable to individuals
- employees can control the pace of work
- a steady workflow can be maintained
- acceptance of standards by employees and representatives
- work is not subject to frequent changes

**Group Payment by Results:** In this case, a bonus pay is divided among group members, either equally or in an agreed ratio. It can be used where it is difficult to attribute performance to an individual, or in order to encourage group members to work as a team.

A group scheme is likely to have a positive effect if the group forms a natural work unit with complementary tasks. Members, however, should be compatible in terms of performance and all should get on with one another.

The motivation effect is similar to that of individual PBR schemes in that there is a relationship between effort and earnings. However, work groups can put

pressure on members and aggravate interpersonal relationships. The motivational effect diminishes as group size increases because individual employees are less able to relate changes in earnings to their own effort and performance. Also, it is difficult for a new recruit to be incorporated in the group because his or her performance is unlikely to match the standard of existing group members.

*Measured Daywork:* This contains elements of both time and PBR systems and can overcome some of the problems of individual incentive schemes such as fluctuating earnings and output.

An employee is paid a fixed rate, usually higher than the time rate, provided he or she maintains a predetermined level of output and performance. A variation of measured daywork is stepped measured daywork, whereby an employee can opt to maintain one of a series of performance levels to which differing rates of pay are attached.

Measured daywork results in both stable earnings for employees and a stable level of output which can give the employer a greater degree of control over output levels and wage costs. It provides an incentive element not included in time rate systems but which may not be as strong as in PBR systems.

*Plant and Enterprise Wide Schemes:* Employees in a plant or an organisation share in a bonus that is linked to the level of output, the value added by the employees' collectively or some similar formula. The attraction of this scheme is that the organisation as a whole benefits from increased profitability. In other systems, wages and labour costs may rise but the overall level of output and profitability may decrease.

The motivational element is that employees can identify with the organisation and are encouraged not to regard themselves as isolated units. They are also made aware of their contribution to the well being of the organisation. All of this may serve to promote better employee-management relations.

However, it is difficult for an employee to see a tangible link between his or her individual effort and the bonus payment. Therefore, bonus payments can become regarded a part of the basic pay. Also, hard working employees may have their efforts nullified by less hard working employees elsewhere in the organisation.

Since the bonus is linked to the performance of the organisation, factors outside the control of the workforce e.g. market forces, efficiency of management, inflation, will affect the level of bonus payments.

For such schemes to be successful, management and employees must be able to work together and there must be good communication channels within the organisation. Also, there must be accurate records of output, sales, wages etc, over a representative period to enable a standard, agreed by management and employees, to be established.

*Profit Sharing or Share Option Schemes:* Employees receive a bonus which depends on the profit made by the organisation in the previous accounting period. This can be in the form of cash or shares.

Profit sharing can not really be regarded as a financial incentive because an additional sum of money once a year in a worker's pay is hardly likely to motivate the worker to produce more. Its main objectives are to promote good employee-management relations and to give the employees a sense of participation in the organisation.

The idea behind profit sharing is simple; motivate the employees by making them interested in the organisation as a whole, this would be achieved by giving them a share of the profits which has accrued from their efforts. However, if the shareout is simply superimposed on the existing wage structure, such a scheme would have little value as a motivator. The employees would be unable to see a relationship between the bonus and their own efforts, and they may come to expect a bonus whether there are any profits to share or not.

Scanlon (1948) devised a plan involving workers in profit sharing schemes and suggested that organisations could introduce profit sharing schemes to combat union organisation rather than address any particular requirement to help employees. He cited three examples of profit sharing schemes, two of which failed and one which was a success. In the two failures, profit sharing was introduced as a way of keeping the unions out and without involving the employees. The third case illustrated the basic requirements of a successful profit sharing scheme. It should involve all parties and actively promote increased efficiency and motivate workers to a greater productive effort. It should not be imposed by management as a kind of handout which the employees feel they have no responsibility to contribute to.

Profit sharing is not really a financial incentive, its motivating factor is achieved by a feeling of belonging to an organisation and a pride in its commercial success.

**Merit Rating:** The objective of merit rating is to reward individual contribution by way of a systematic assessment of an employee in terms of performance, aptitudes, and other qualities necessary for the successful carrying out of his job. In this system, an employee receives a bonus or a level of basic pay which is linked to an assessment of his or her performance and conduct.

The assessment can be made in terms of volume and quality of output, initiative, aptitude, adaptability, attendance, punctuality, etc, which may be weighted to reflect their relative importance to a particular job. These factors are usually included in an appraisal system which may be merged with merit rating. Merit rating was traditionally only used for *indirect* workers, but now more and more organisations have extended merit pay to manual workers.

There is no uniform merit rating scheme. Most organisations adapt schemes to fit their particular circumstances. However, in all cases the parties involved must understand the scheme and have confidence in it. An example of a merit rating system would be:

- graded job-evaluated pay structure

- salary range for each pay grade (minimum to maximum pay)
- overall annual salary range increases in line with inflation
- individual salary progression based on performance (using a performance system)

Merit rating provides a way of rewarding qualities which are usually not rewarded by other payment systems. It also enables bonus payments to be made to employees whose work cannot easily be measured. However, performance factors can only be assessed subjectively by management thus making it difficult to maintain consistent standards. Although merit rating rewards good performance, the incentive effect may be small because bonus payments or changes in pay are made infrequently, usually yearly or half-yearly.

## **Conclusion.**

Employee motivation has always been a very complex and interesting problem facing industry. One might suggest that since there is no no one obvious general theory of motivation, then there is no one general payment system that will successfully motivate employees. This is a bad argument and is in fact simply question-begging.

The seven payment systems highlighted earlier, all have various advantages and disadvantages and can all affect motivation in some way. The actual payment system in operation within an organisation may reflect management's view of motivation, i.e. do they believe McGregor's Theory X, or Herzberg, or Expectancy Theory, or do they just do what they have always done - pay up and hope for the best.

Pay is an essential factor to most employees and so payment systems can have a considerable impact on the efficient running of an organisation and on the relationship between worker and manager. Management and employees have different views on payment systems (i.e. management focus primarily on competitiveness and costs, whereas employees look to reward, standard of living and job security) and a payment system alone will not reconcile these differing

views. The management of people involves not only functional and financial considerations, but also recognition of employees as beings whose complexity goes beyond simplistic approaches to motivation. The relationship between each individual worker and the employing organisation has to be considered as the most powerful influence on motivation and pay. In fact, pay is taken for granted in the workplace, and workers will work for extraordinary low rates of pay (even to the extent of engaging quite willingly in life-threatening activities). To fully grasp the complexity of the relationship between employer and employee it is necessary to address the interpersonal context in which the activity of work takes place, namely, the *business corporation*. Let me therefore proceed to examine the modern business corporation and some of the most pertinent issues therein which have a very real bearing upon the corporate member as worker and manager.

# Chapter 1. The Moral Responsibility of Corporations

The normal state of most of us is this: to know quite well what we do not understand. (Clark 1982: 47)

Managers must be made aware of the scope of the duties and responsibilities attached to their occupational role and the extent to which this overlaps into the many social roles which constitute their social existence as citizens. For example, the allocation of resources within universities rests not with academics acting as academics but with academics acting as managers, distributing resources according to management objectives; thus even philosophers must become aware that they will, from time to time, be subject to the dictates of the managers of the organisations to which they belong, and may in fact have dual roles (with incompatible responsibilities) of teacher and manager within these organisations.

Whilst I shall argue that one's consciousness is developed by one's occupational role, this doesn't stifle expressions of individuality. On this view, individuality is expressed in a social context, and so in the case of the business organisation, an employee's individuality is not expressed in choosing one occupation over another, but in how that occupational role is carried out. For example, a boss tells his subordinate *what* he is to do, but by ordering and deciding on priorities the subordinate decides upon *how* it will be done. This is the way of things throughout the strata of the corporate hierarchy from top to bottom, but it must be borne in mind that when at last a directive arrives at the manual worker's level, because of the lack of complexity or *richness* in the content of the task that is generally found at the manual labourer's level, there will be less obvious ways of self expression

in deciding how to do the task, consequently there will be limited scope for self management.

Furthermore, it is fundamentally important to keep in mind that in the modern business corporation the manager, like his subordinates and perhaps his superiors, is an employee. With the exception of the sole trader and the partnership, we find it is the case that managers have a dual status, that of worker, and that of agent of the owner or employing organisation.

Whilst it is questionable whether business management can be an academic subject, given the influence and control that managers have over citizens as workers, it is indeed a proper subject for philosophical inquiry. The many genuine and interesting questions which could be asked of business managers have been asked by philosophers since the beginning of human inquiry. What is different now is that the relationship between corporations and their constituent members has been left to the other disciplines within psychology and sociology, but the lack of rigour in the philosophical aspects of this study has allowed the management theorists to fill the gap that philosophers must address. The philosopher can bring to bear some discipline and rigour in this very important area of human interaction, and not only prove this to be a fertile area for demonstrating the function and value of philosophical inquiry, but also show within the academic sphere of philosophy that the relationship between individuals and corporations is a testing ground for long established beliefs about society at large.

The philosopher's contribution is immediately obvious in the kind of questioning that can be asked of the nature and basis of management decisions. For example, to what moral point of view (if any) does the business manager (consciously or unconsciously) subscribe? Does the manager see himself as a moral agent of any kind when he acts as agent of the employing organisation? Wherein lies the humanity of a human resource and does the manager as the agent of the corporation conceive of human resources as primarily *human* and only secondarily *resources*? The philosopher can draw out and clarify the corresponding moral implications and ensure that the moral dimension of the workplace remains firmly within the

consciousness of society at large, and is not contained or hidden within the *closed* domain of the business managers.

In asking questions of this kind, the philosopher can open up important avenues of inquiry. For example, the business manager may be working on the assumption that his employing organisation has an existence which is independent of its constituent individuals.<sup>8</sup> So that in acting as an agent of the employing corporation, he is not acting in a *personal* capacity but instead in a capacity which separates him completely from his personal moral responsibility. Although the manager may see himself as a human resource manager, he may, sadly but justly, regard himself as a mere company resource, standing outside the sphere of morality as a non-moral functionary, analogous to a machine, or a component of a machine; his self image of non-moral agent may be consequence of a view that either the organisation itself is non-moral, or the organisation is morally responsible for the actions of its agents. In either case, the business manager has a perception of his agency being separate from his own *self*. What is more concerning is that this situation may prevail at a level of unquestioned belief.

Considering the effects of his organisational role upon his moral sensibilities, and the prevalent ideological biases within the corporation, the manager may be consciously or unconsciously subscribing to a particular moral code which can, and perhaps should, be challenged.

Although it is not the prime purpose of this thesis to settle questions of managerial or employee moral responsibility, I want to keep these questions in the foreground throughout this chapter since a careful response to them will cast a sharp light on the nature of the corporation. We shall find that moral issues, the moral responsibilities of corporations and their officials, can clarify difficult conceptual problems concerning the ontology of collectives. It is of prime importance, however,

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<sup>8</sup> It is of course a matter of considerable debate whether the organisation is identical to its constituent individuals and changes as they change over time, or is independent in the sense that it has continuity beyond the specific set of individual members at any point in time. Although it is not the prime purpose of this essay, these issues will be addressed in part during the course of my discussion.

to question the personhood of the business corporation if one is to examine the nature of the relationship between employer and employee. My claim is that the requirement on the part of management to understand the nature of the worker and the meaning of work in the life of the individual has been ignored. This ignorance has resulted in an all frustrating search for a formula which the manager can apply to get at least that minimum of cooperation from the worker where orders are obeyed, or at best to get the maximum cooperation which motivates the worker to a point where he does not just simply do what he is told, but that he *wants* to do what the manager wants.

Modern management and management theorists are guilty of neglecting their responsibility to seek a better understanding of the nature of the worker whilst turning in the very opposite direction in terms of their intellectual and academic efforts. With no prospect of discovering some *magic* formula which will yield more control over their staff and greater productivity, attention has gone to seeking a deeper understanding of the organisation as a means of gaining knowledge of how to *manage* better. In any attempt to get to a clearer understanding of the nature of the relationship between the employer and employee, or manager and worker, this wrong headed direction of management theorists must be addressed. There is no ghost in the machine! The business corporation is merely a motivational device and I believe I can show this by drawing upon John Ladd's excellent analysis of formal organisations. Before doing so, I shall give an account of Peter French's claim that the formal organisation of the business corporation is itself a fully fledged person in a metaphysical, legal and moral sense. What I shall argue against French is that his claim is mistaken, but has plausibility only to the extent that from an intuitive point of view, we do speak of corporations as though they were persons. The credibility of French's claim consists in the extent to which business and management theorists can be taken seriously when they seek a deeper understanding of the nature of business corporations at the cost of neglecting their real obligation to gain a deeper understanding of the nature of the individual employee.

The pseudo theorising about just what a corporation *is* can and must be challenged in its own right before I attempt to present an analysis of the nature complexity of the individual as a worker and citizen of the wider community; this analysis is intended to provide a framework for a clearer understanding of the nature of the relationship between the manager and the worker in the modern business corporation.<sup>9</sup>

## The Corporation as a Moral Person

It is hardly controversial to consider that the corporation as an employer requires of its members as employees that loyalty, honesty, and good practices be adopted as virtues to be cultivated and perhaps enforced. It is quite common to find press reports which quote the words of corporate agents of one sort or another expressing such requirements in terms of rights claims, which on closer inspection would seem to emanate from the notion of a corporation as person. Let me therefore address the notion of the corporation as a person by exploring, in the first instance, the *intuitive view*; thereafter I shall tackle the issue of corporate moral personhood by analysing other perspectives on this issue.

**The Intuitive View:** It has been popular in recent philosophical literature to argue the case that a corporation cannot be held morally responsible unless it is a person. Before I tackle the question of whether a corporation is a moral person, let me bring together a number of intuitions which suggest that we do treat it as similar or analogous to a human person. To obtain a simple list of these intuitions, let me take as an example something with which the individual in British society is all too familiar; the electricity supply company, which I shall refer to as ESC.

If I do not pay my electricity bill by a specified date and time, someone acting on behalf of ESC will call to my home to disconnect my electricity supply. In dis-

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<sup>9</sup> The term *corporation* will hereafter be used to refer to employing organisations, employer or Company.

cussion with other people, there would be nothing unusual in my expressing concern about what ESC is *doing to me*. I will hold ESC *responsible* for the act of cutting off my supply, not the individuals acting on their behalf. When I write to ESC asking for more time to pay, I appeal to some intuition on my own part that there is some *merciful tendency* on the part of ESC. I admit to the belief that ESC can *decide* to do other than follow a procedure for dealing with debtors. To speak of the ESC in this manner I may be interpreted as expressing an intuitive view of ESC as a decision maker, acting responsibly with a capacity for reflection on its actions and the possibility of exhibiting sympathetic behaviour. And it is because ESC has a legal right to disconnect my supply that I appeal for mercy. Note also that my intuitive view extends as far as expecting that along with the right to take action there comes the assumption that ESC is *obliged* to act in a fair and responsible manner.

Taking the example further, if my supply was disconnected for non-payment when in fact I had paid my electricity bill, I would not be inclined to hold the electrician responsible for the mistake, but in fact ESC and if this happens frequently, it would not be unreasonable for me to speak of ESC as incompetent, irresponsible or even vindictive.

Consider the same corporation from the point of view of citizenship. So, if ESC contributed to the Arts, charitable organisations or environmental improvement projects, it may be regarded as a good corporate citizen. ESC may then be an appropriate object of praise, affection and perhaps pride. On the other hand, if ESC sponsored foxhunting or some other blood sport, it may well be an object of anger, hate or resentment.

Consider the view one might have of ESC if it stopped importing fuel for electricity generating stations from a particular country because of that country's persistent violation of human rights. Action of this kind may not only merit some approval in its own right, but could also result in ESC being considered to have taken a moral decision and a moral action.

Take, for example, a very real instance of a corporation speaking of itself in moral terms. In a leaflet produced in spring 1992 by the Lexmark Company the following statement appeared:

We hope that all our Resellers and Customers will get involved with Lexmark's proactive effort to reduce the volume of waste in Europe's landfills and that you will participate today.<sup>10</sup>

This effort on the part of Lexmark aimed at preventing pollution (and according to the same brochure, it will produce work for handicapped people) may be viewed rather cynically by the public. It may be considered as a cheap marketing endeavour in its attempt to draw upon some very serious fears about the environment. However, an alternative and morally legitimate view may well applaud Lexmark for displaying rectitude in environmental matters in that they are going beyond their legal requirement that a polluter must pay to clean up his mess and taking a what is, or appears to be, a *moral* initiative.

These examples exhibit an intuitive use of a host of notions, concepts and terms that one individual person would ordinarily use about another:

- decision
- responsibility
- rights
- duties
- praise
- blame
- resentment
- moral virtuousness
- vindictiveness

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<sup>10</sup> From a sales leaflet produced by Lexmark International Limited, Westhorpe House, Buckinghamshire, 1992.

What is illuminating here is that these terms are used in a similarly ordinary way about a business corporation; thus emphasising the point that ascriptions of human characteristics to formal organisations is not only quite common, but also quite natural in the way we speak and act. The intuitive regard for a corporation as some kind of person is not only quite ordinary, but would seldom be questioned in ordinary conversation.

This discussion is focused more sharply when we consider examples of corporations speaking of *themselves* as moral agents. As well as promoting advertising campaigns which display rectitude over environmental matters corporations also have community and social responsibility departments to ensure that the corporate aim of being a *responsible citizen* is being properly pursued. So when the IBM Corporation, for example, takes credit for charitable and sponsorship ventures, should we ask if they are being hypocritical? On the other hand, if managers get shareholders to accept say 1% of profit for the Arts scheme, we might consider that the corporation is capable of an act which would meet with approval on moral grounds, but whether this would warrant the attribution of moral as well as a legal personhood is still questionable.

We draw upon person concepts and descriptions in our behaviour towards formal organisations to a tremendous extent, yet we seldom feel the need to justify ourselves, and in fact, would consider it most peculiar if we were asked for a justification. Our use of person concepts and terms operates at an unquestioning level, but is also limited in extent. We would not wonder what a business corporation dreams about, although we may speak of a corporate dream, belief, nightmare or even a love affair with another company and do so without being in the slightest doubt that we are using metaphorical expressions; but this does not detract from our intuitive notion of the corporations as a person. Nor does it imply that we are always and only speaking metaphorically about corporations when we speak of them in terms appropriate to persons.

From a legal point of view, there is no real problem in principle, corporations are legal persons. But when we judge a corporation from a moral point of view, we must address the question of real or metaphorical reference.

To explore the idea of corporate moral responsibility further, an understanding of what could be meant by the terms *agent* and *person* might help. Consider, therefore, a business manager regarding himself as an agent of the corporation. This is hardly controversial in itself since that is exactly his role. The question is, can we recognise the corporation as the bearer of responsibility for the manager and the other officers? Well yes. It is quite normal for the corporation to be held responsible for the actions of its agents or officers, but this is legal responsibility. When we speak of any other responsibility, it is usually on the basis of the corporation regarded as a construct or aggregate of individuals comprising the corporation. In this legal sense a corporation may in fact be considered as a person; examples are many and as various as there are legal systems.<sup>11</sup>

My claim will be that it is neither desirable nor credible that we consider the corporation as a moral person. If we afford any moral status to a corporation, we have not only to address issues of moral responsibility, but also whether such *persons* can have moral obligations and in what sense such an entity may be held responsible for its actions. Interesting though it may be to explore the metaphysics of corporate personhood, we can gain an understanding of whether corporations are in any sense moral agents regardless of whether they may in some sense be moral persons and we can attribute moral agency and moral responsibility to corporations without considering them as moral persons in any sense. The very reason why we should focus on the minimum or weakest case is to establish a view on how the corporation ought to be treated.

Whilst I doubt whether anyone would dispute this intuitive view of the personhood of corporations, to argue that a corporation is a moral person of some kind is just simply missing the point. What is important is to gain a perspective on the best way to treat corporations from a moral point of view. Can we attribute moral agency and moral responsibility to a corporation without having to ascribe moral personhood?

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<sup>11</sup> I shall discuss below an interesting argument from Peter French that a corporation's moral responsibility follows from its being a legal and a metaphysical person.

The intuitive view is not a trivial view. It has led to other arguments which extend the notion of corporate personhood from naive application of person concepts to corporations to the view that a corporation is a fully fledged moral person. It is important therefore not so much to pass judgement upon what we may do by habit, custom or convention, but to ensure that our uncritical and somewhat natural inclination to speak in terms of corporations as persons is not used as a foundation on which the personhood of corporations might be legitimised. An example of this kind of extension is argued by French (1985), who addresses the question of corporate personhood by presenting a variation on a metaphysical case.

**The Metaphysical View:** French argues that the corporation is a moral person and that it is in fact a product of metaphysical personhood. Following a discussion on types of collectives, he gets down to the business of distinguishing three concepts of personhood; moral, legal, and metaphysical. French states that to be a moral person one must meet the conditions of metaphysical personhood.

Moral community membership is essentially a premoral, a metaphysical matter.

(French 1985: vii)

Setting this as the foundation of his requirement of moral personhood, he then charges most writers as having ignored this fundamental point.

French lists the above three concepts of personhood, which he quite rightly argues are often entangled, and points to Locke's account of personal identity where *person* is denoted as a *forensic term* belonging only to *intelligent agents* who, because of their attributes such as consciousness and memory, can thereby become "concerned and accountable" (French 1985: 32).

French states that there is clear evidence of the entanglement of the three concepts of personhood, and says of Locke: "he is historically correct in citing the law as the primary origin of the term person. But he is incorrect in maintaining that its legal usage entails its metaphysical sense, agency; and whether or not either sense,

but especially the metaphysical, is interdependent on the moral sense, accountability, is surely controversial” (French 1985: 32).<sup>12</sup>

According to French, Locke holds an “interdependence” view of moral, metaphysical and juristic personhood which is correct, but wrong insofar as Locke roots both the moral and metaphysical in the juristic concept. The Lockean view has the virtue of being clear. If it were true, then the issue of whether a corporation can be a moral person could be settled directly. Since it can sue and can be sued, can inflict and suffer torts in all legal systems, that is it! But since legal responsibility is not the same as moral responsibility, this view is wrong. Why not say that a legal person is a metaphysical person but not a moral one?

French notes that many of those who hold what he describes as a *precondition* view of the relationship between metaphysical and moral personhood tend to champion the least defensible of a number of possible interpretations of the juristic personhood of corporations (French 1985: 33), and by virtue of holding this position, they are allowed to systematically sidestep the question of whether corporations can meet the conditions of metaphysical personhood.<sup>13</sup>

In essence, it is the uncritical acceptance of a legal status of personhood which is the sort of artifice or construct used widely in the literature on corporate legal responsibility which invites the criticism from French that the real questions of personhood are being avoided.<sup>14</sup>

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<sup>12</sup> The term person owes its origin to the theatre; that is, *persona* meaning *mask*. French does indeed make this point elsewhere.

<sup>13</sup> An example of this is the view that the private corporation or firm is simply one form of legal fiction which serves as a nexus for contracting relationships.

<sup>14</sup> This is quite correct, but an empty criticism, if the real questions (namely French’s questions) concern moral personhood.

French also cites Rawls as another who is similarly guilty of supporting an indefensible interpretation of the legal concept of personhood, which encourages an *anthropocentric* bias which has led to a general belief that corporations cannot be moral persons. French's view is that Rawls' *original position* produces the two principles of justice which amount to a rather dramatic rendering of one version of the compelling but unnecessarily complex thesis that moral persons can only evolve out of metaphysical persons. He accuses Rawls of remarkable ambiguity in deciding who or what may qualify as a metaphysical person; as an example he points to the list of parties Rawls admits to his illustration of the original position where "associations (states, churches or other corporate bodies)" are included. Whilst Rawls does indeed declare that these associations are admitted to the list of elements of the initial situation, he does indeed claim that they are of course a variation of the "Nature of the Parties". It is stated clearly by Rawls that "continuity of persons (family heads, or generic lines)" constitute the elements of the initial situation (Rawls 1970: 146).

Whilst criticising Rawls for not discussing the corporate bodies he refers to above, French also accuses him of shrinking from the task of exploring the implications of that intuition and "retreating to the comfortable bulwarks of the anthropocentric bias" but at the same point in his text, French does however credit Rawls with having hold of an important intuition:

that some associations of human beings should be treated as metaphysical persons capable, on his [Rawls' account of becoming moral persons, in and of themselves. (French 1985: p34)

The reason why this is an important intuition for French is that he wants to argue that "the concept of legal personhood under any of its popular interpretations is .... virtually useless for moral purposes" (French 1985: 34). He presents a rather weak argument against the idea of a corporate person as a convenient moral fiction or as an aggregate of biological persons. Let me try to get to the essence of his argument to expose its weakness.

*Criticism of The Metaphysical Approach:* French claims that metaphysical personhood is a necessary condition of legal personhood, and that metaphysical personhood is a necessary condition of moral personhood. This is why he spends the most of his efforts claiming that corporations are metaphysical persons. By establishing the metaphysical personhood of corporations, he believes that he will therefore have established both the moral and legal personhood of corporations.

His fundamental error rests in the fact that legal personhood does not imply moral personhood, and metaphysical personhood does not imply moral personhood. So, when French argues that a corporation is a metaphysical person he is not furthering his thesis that a corporation is a moral person. The weakness of his argument is implicit in his endeavour - *to find a case for presenting the corporation as a moral person.*

Why must a corporation be a person in any sense for us to cast moral judgement upon the actions carried out in its name? Furthermore, there is a profound moral problem in affording the status of metaphysical, moral and legal personhood on an entity such as a corporation. Holding a person morally responsible for an act is hardly controversial in itself. We are all subject to the moral judgement of our peers. Regardless of our role, or the capacity in which we carry out a given act, we will still be judged by our peers. Thus, if a collective of any kind is to be judged from a moral point of view, there is nothing wrong or improper in passing moral judgement on the collective as though it were a person. In regarding a corporation as a person in this sense, all we mean is that the persons who acted on behalf of, or in the capacity of, the corporation are subject to moral judgement even if their individual identities are never known to their peers.

The reason we give offices and roles to the individuals who constitute a collective is in fact to allocate responsibility for a range of activities. Furthermore, to afford the status of full fledged moral person to a corporation is to allow that corporation to become a peer and to judge the actions of other individuals. For example, I fail to grasp just how the Exxon Corporation can judge the morality of my words and deeds, other than certain individual officers authorised to speak on behalf of the corporation making judgements of my deeds, based upon certain standards

that the corporation would wish to be judged by; but the Exxon corporation cannot judge me as would any individual member of society. The worrying aspect of those who seek to establish moral personhood of a corporation is that their efforts serve to cloud the moral deliberation of each member of the corporation.

The essence of a person's moral deliberation is that it takes precedence over all other conflicting interests, otherwise there could be no moral resolution of conflicting motives. For example, the boss who tells her secretary to reply to the caller on the telephone that she (the boss) is out of the office, when in fact this is not true, is instructing her employee to tell a lie. The secretary must either tell a lie and be moral or to be prudential and obey the boss's instructions. The moral deliberation of the secretary may not be brought to bear on such matters since *lying* in this way is merely considered as an occupational hazard and therefore never considered from a moral point of view. The point is, however, that if the secretary has to consider this behaviour from a moral point of view, there is no moral dilemma! There may be equally strong conflicting motives, to be moral and to be prudential, and it may be difficult to decide what ought to be done, but it is only a moral dilemma if each option is a moral option. In the secretary's case it is not a moral dilemma, although there is the question of whether the decisions should be made on moral grounds or on prudential grounds, and this applies to corporate action in general. One's corporate role in following procedures may well coincide with moral imperatives of one sort or another, but corporate procedures are founded on prudential grounds and following these procedures is not a moral problem. If a corporation requires a member to act in a morally wrong way, the problem, if any, for the actor is whether his motive is to be moral or not. To clarify this point, consider my position as a secretary who has promised to carry out the role of a secretary to the best of my ability. If I have been told to do something for my boss, then either I do it or break my promise. If I am told to say that the boss is out when in fact he is not, then I have a decision to make which puts me in the following position which is indeed a dilemma, the form of which is:

Either  $p$  or  $q$ .

If  $p$  then  $r$ .

If  $q$  then  $s$ .

> Either  $r$  or  $s$ .

Now if we cash this out in terms of my secretarial role, the matter of whether this is a *moral* dilemma can be settled more easily.

Either I tell a lie or I tell the truth.

If I tell a lie I commit a moral wrong.

If I tell the truth then break a confidence.

Therefore, either I commit a moral wrong or I break a confidence.

If breaking a confidence is a moral wrong then when the boss asks me to tell the caller that he is not in, then he puts me in a very real moral dilemma, for I am indeed guilty of breaking a confidence if my guiding principle in my job is to maintain a loyalty to my boss above all else (above even the aims and objectives of the corporation). But my dilemma is really quite different from the above representation; the reality is this:

Either I tell a lie or I tell the truth.

If I tell a lie then I commit a moral wrong.

If I tell the truth I get punished.

Therefore, either I commit a moral wrong or I get punished.

Now this may be called a moral dilemma in the sense that it involves a moral issue, but the horns of the dilemma are quite different; one is moral and the other quite clearly prudential. My point is that there will be organisations whose requirements are such that their members will from time to time face this kind of dilemma, but the office or role a person holds within the organisation does not change the fact that the moral status of each person is the same whether in role

or not. The requirements of me as a moral person are the same no matter which organisation I belong to and no matter which role or office the organisation affords me.

French's analysis leads one to the conclusion that his view of the corporation as a moral person is a solution looking for a problem:

to treat a corporation as an aggregate for any purpose is to fail to recognise crucial and logical metaphysical differences between corporations and crowds. (French 1985: 35)

Crucial logical and metaphysical differences there may be between corporations and other collectives, but not crucial to moral personhood. French misses the point when he accuses Rawls of failing to recognise these differences. It is in fact French who fails to recognise the irrelevance of the differences that may exist between corporations and crowds in moral matters.

There is some difficulty in holding a crowd morally responsible and exercising some sanctions upon such a collective, but there is no difficulty whatsoever in passing judgement on the actions of the crowd. For example, to accuse a crowd attending an event (gathered at the entrance of Wembley Stadium at a particular date and time) of a morally wrong act is simply to condemn the contribution of each member of the crowd to that act. We often do not (and cannot) know who each individual who constituted the crowd, and in fact, we need not know who they are. It is enough that they know what they have done and that each can consult their own conscience and know the wrongness of their actions in the light of our condemnation of the crowd: by condemning the crowd we condemn every participant (known and unknown). What if the agents of the organisation running the event similarly contribute to the moral wrongness of the same act? We would not seriously consider the corporation to be morally wrong in the way that we would condemn the contribution of each person in the crowd. We would however consider each agent of the corporation who contributed to the wrong act on the same moral basis as each person in the crowd but because an organisation has office bearers, we can seek out the responsible persons and assess their degree of

responsibility in terms of the authority afforded by their position. This is why we need not condemn the collective of the formal organisation.

French is begging the question when he says that:

For a corporation to be treated as a moral person, it must be the case that some events are describable in a way that makes certain sentences true: sentences that say that some of the things a corporation does were intended by the corporation itself. (French 1985: 39)

By *sidestepping* the question of whether one needs to assess whether the corporation can be considered a metaphysical person and fully fledged moral being, one is not (as French argues) closing off a potentially illuminating discussion. Rather, it is quite in order to take the view that in law we can regard the corporation as a legal person and define the limits within which we do so, thus pursuing simplicity, whilst leaving out any possibility of ascribing moral personhood. We wisely avoid *creating* the conditions in which the agent of the corporation can appeal to anything other than his own conscience when acting in either his occupational role or in his capacity as citizen.

Whilst there may be some philosophically interesting issues arising from the exploration of the implications of a corporation as something more than an aggregate of its constituents, the moral interest must surely be confined to the effects of this entity upon the consciousness of the participants.

Where French is correct, is that a corporation does generally figure in the minds and language of a population at large as a person. Consider again the intuitive view; often spoken about as though it has good and evil intentions, the Electricity Supply Company, for example, may not only be accused of seeking to disconnect my supply, or getting more profits out of its consumers, but may also have published objectives, and in fact have policy statements expressed as *basic beliefs*. We can therefore be forgiven for ascribing human attributes to such an entity since instinctively it is common to speak of such collectives as kinds of persons. In terms of understanding the behaviour of people in groups it may be illuminating to study

the distinguishing features of different types of collectives. For example, a contrast between crowds and corporations may throw some light upon the psychology of persons in terms of their propensity to change of mood and so on, but the knowledge gained will have little or no bearing on the moral status of a corporation. It is immensely valuable in understanding the psychological circumstances in which an individual makes choices or acts in matters moral, to consider whether or not and to what degree an agent is acting as an officer of the corporation; but no answer to such questions can of itself present a case for ascribing moral personhood to a collective.

French is taking a particular stand in the individualism / holism debate. Yet, although he is fundamentally mistaken in his endeavour to put the corporation on the same basis as the human being in terms of moral status, it is indeed in accord with our intuition to speak of an organisation such as a business corporation in terms of moral evaluation; and as I have asked earlier, is this to ascribe personality in a real sense, or it is merely a means of expressing our moral judgement of the actions of officials? The remainder of this chapter will aim at answering this question.

## **Corporations as Structures of Rules and Roles.**

John Ladd, in his excellent paper *Morality and The Ideal of Rationality in Formal Organisations*,<sup>15</sup> explores some of the moral issues emerging from the complex interrelationships between individuals and formal organisations in modern industrial society.

Ladd examines the claim that because formal organisations are like machines, they cannot have moral obligations or be morally at fault. In discussing this issue Ladd succinctly describes the dual role created by the conflicting obligations placed on the officials of formal organisations:

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<sup>15</sup> Published in the *Monist* 54, (1970: 488 - 516).

A distinctive mark of such organisations is that they make a clear cut distinction between the acts and relationships of individuals in their official capacity within the organisation and in their private capacity. (Ladd 1970: 488)

This is certainly the case, and it is not necessary to the argument that the distinction is always obvious to the decision maker.

**Corporate Morality as a Language Game:** Ladd argues that certain aspects of the organisational ideal are incompatible with the ordinary principles of morality, and this incompatibility generates a dilemma which is itself a source of alienation in contemporary industrial society.

The significance of Ladd's paper consists in the rather interesting, but open-ended conclusion he draws. It is in my view an excellent philosophical analysis of an ideological perspective on the relationship between, on the one hand, formal organisations, and on the other, society and the individual. The ideology presupposed by organisational decision making is the focus of Ladd's attention. He construes Weber's analysis of bureaucracies as describing a certain language game and he draws upon this concept of a language game (as advanced by Wittgenstein and others) as a tool of analysis.

In his paper, Ladd is not concerned with empirical studies of organisations, rather, he approaches the subject by way of a somewhat unusual interpretation of Weber's ideal-type, the starting point of Weber's classical analysis of bureaucracy. Ladd interprets Weber's ideal-type of bureaucracy as representing a particular pattern of thinking about actions and social relationships, in essence, a rational social order.

The ideal-type is a normative (non-moral) concept of organisations, a standard which actual organisations approach. It is "not a description of how administrators decide so much as a description of how good administrators decide."<sup>16</sup> And by drawing upon this language game Ladd has a tool of analysis which will allow

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<sup>16</sup> See Simon 1965: 62, 249 & 253.

him to examine the way that language and action are interwoven but also how the organisational theorists rationally evaluate and defend what is done:

And it allows us to describe the activity without reference to moral rules (or norms). In other words, it provides us with a method of analysing a rational activity without committing ourselves whether or not it is also moral. (Ladd 1970: 491)

Pursuing the game analogy further, Ladd holds that there is a strong resemblance between the autonomy of the activity (and the immunity of the rules) governing a game and the operations of formal organisations.<sup>17</sup> Ladd's discussion starts by exploring the concept of the formal organisation as a *decision structure*. To this end he focuses on the central concept of a decision or action that is attributed to the organisation rather than to the individual involved in the decision process. He describes the theory of organisational decision making as a product of officials of the organisation who are themselves ethically neutral and whose values are most definitely not those which would guide these decision makers in their lives as private citizens:

When the official decides for the organisation, his aim is (or should be) to implement the objectives of the organisation impersonally. The decisions are made for the organisation, with a view to its objectives and not on the basis of the personal interests or conviction of the individual who makes the decision. (Ladd 1970: 492 - 493)

He is quick to point out that these decisions are not collective decisions, but in fact "Social Decisions." The basis for the distinction lies in the notion that a social decision is precisely a decision (or action) that is to be attributed to the formal

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<sup>17</sup> For further insight into Ladd's use of the game model, see his *Moral & Legal Obligation* in J Roland Pennock and John W Chapman, eds., *Political and Legal Obligation*, *Nomos*, 12 (New York: Atherton Press, 1970). Note that with the exception of this reference, all other references to *Ladd 1970* followed by the page number refer to his paper, *Morality and the Ideal of Rationality in Formal Organisations*, cited in the Bibliography of this essay.

organisation and not to collectives or collections of persons. The point here is that in making a social decision, a person is making decisions that are not his; that is, not attributable to him.

The theory of social decision making which Ladd is analysing is related to a theory of organisational authority of which Simon says:

A subordinate is said to accept the authority whenever he permits his behaviour to be guided by the decision of a superior, without independently examining the decision. (Simon 1965: 11)

And given the hierarchical structure, where superiors issue commands to those below them, the superior exercises authority over the subordinates, thus the subordinate "holds in abeyance his own critical faculties for choosing between alternatives and uses the formal criterion of the receipt of a command or signal as his basis for choice" (Simon 1965: 126). This principle held by Simon that organisational authority requires the abdication of choice, is considered by Ladd as part of the language game of the formal organisation; it is a logical requirement of the game, whether or not it is empirically true. Weber's view is that the subordinates "do not owe this obedience to the person in authority as an individual, but to the impersonal order" (Weber 1922: 19). Thus the superior's authority is itself based upon his abdication of choice in favour of the social decisions of the organisation, so his decisions are (like his subordinate's) are not owned by him.

If the organisational order requires that social decisions of its officers be attributed to the organisation rather than to the individual decision maker(s) and the decisions are to be made non-personally and in relation to an organisational purpose, the agents of the organisation must have a stated goal or set of objectives. Otherwise, it would not only be confusing to have social decisions made in the absence of stated goals, but it would be unintelligible in the context of the language game of organisations. Ladd stresses that organisations are differentiated and defined by reference to their stated goals and in separating out the real goals and the

stated goals of an organisation, he draws upon the views of Galbraith<sup>18</sup> who points out that whatever else an organisation's stated goals may be, they must aim at securing its own survival, autonomy and economic growth. Whilst Galbraith scorns the notion of maximising profits as the goal of an organisation, Ladd takes a less contentious and more formal stand, advocating that the real goal of an organisation is that objective which is used as a basis for justifying decisions and actions of the organisation itself, as distinct from the actions attributable to individuals. The goal is therefore not only a specific element of the language game of organisations, but also a means of differentiating formal organisations from any other kinds of social organisation in that the formal organisation is constructed and reconstructed to seek specific goals.

The logical function of the goal in the organisational language game is to provide the value premises in organisational decision making. Therefore, any considerations that are not related to the aims or goals of the organisation are deemed to be irrelevant to the organisational process. Ladd stresses again the logical point that only those actions which are relevant to the goal of the organisation are to be attributed to the organisation; those which are irrelevant are attributed to the individual making the decisions or taking the actions. The widely used example in the literature on this subject is the naval officer who runs his ship aground. Such action is inconsistent with the aims of the navy, therefore the action is attributed to the individual rather than the organisation, in which case the officer is held responsible. It is in this way that the concept of a social decision is a fundamental part of the notion of an organisational objective. What all this means is that the co-implication of action and aim implies that a decision taken in the name of an organisation that is not related to an organisational aim is unintelligible within the language game of formal organisations.

The notion of an action or decision unrelated to the goal of an organisation leads Ladd nicely into a discussion of the concept of the "ideal of pure rationality which

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<sup>18</sup> Galbraith (1967: 171-178) holds that growth prospects are generally more important to a business organisation than profit maximisation.

is basic to the ideas and language of operations research and modern management sciences".<sup>19</sup> Within the scope of the language game as a tool for organisational analysis, it is clear that the rationality of formal organisations must hinge upon a standard of some kind. If one accepts what has been said about aims and objectives, in the context of the language game, Ladd is quite correct when he tells us that:

the sole standard for the evaluation of an organisation, its activities and its decisions, is its effectiveness in achieving its objectives - within the framework of existing conditions and available means. (Ladd 1970: 497)

This kind of effectiveness is what Ladd calls *rationality*; defined in terms of means and ends, it is neutral as to the aims or goals achieved, but it is an incomplete or nonsensical term unless it is related to a goal. Ladd is also quick to point out that this is a technical use of rationality in the sense that it amounts to a somewhat persuasive definition; it is like the other ethical-emotive terms found in the writings of Weber and Simon which attest to an endorsement of a certain type of formal organisation; one structured according to the principle of efficiency they describe.

good administration is behaviour that is realistically adapted to its ends. (Simon 1965: 62)

Ladd also stresses his view that despite their neutral presentation, these analyses are not value free. It is at this point we get to the heart of the matter of morality in formal organisations.

Among the factual conditions to be considered in social decisions or actions there will be factors such as available means, costs and other relevant conditions. These are empirical conditions whose determination would be a subject of empirical inquiry. However, there is one other class identified by Ladd as "limiting operating

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<sup>19</sup> Yehezkel (1968: 336). For a bibliography on the subject of Operational Research, see pp 336 -340.

conditions” (Ladd 1970: 498); this class will include such things as legal restrictions, scarcity of trained personnel and factors involving company morale. Consider a company’s demands that its sales staff must show respect both for its customers and competitors and must never engage in lying or any other behaviour which is not both honest and fair. Now one might view this as a set of moral requirements, but on the analysis presented by Ladd, it is more akin to his *limiting operating conditions*. In organisational decision making these conditions must be taken into account as relevant data. In this respect, Ladd holds that information along these lines must be on a par logically with other information relevant to decision making. The only way that moral considerations could be relevant to the operations of a formal organisation is, says Ladd, by becoming limiting operating conditions; and strictly speaking, because empirical knowledge does not include morality, such considerations must be excluded.

Insofar as morality in the strict sense enters into practical reasoning it must do so as an ethical premise, not an empirical one. Hence morality as such must be excluded as irrelevant in the organisational decision making - by the rules of the language game. (Ladd 1970: 498)

Morality has merely an indirect role as moral opinion, which Ladd cites as an example of what John Austin calls “positive morality.”<sup>20</sup> In this instance, the positive morality expressed in the forms of laws and customs of the wider society in which the organisation exists must be addressed in decision making. Just as a decision maker cannot ignore the religious beliefs and practices of the community, he cannot exclude the prevailing laws and customs. By including them as limiting operating conditions he makes them part of the set of empirical considerations without sharing or accepting such considerations personally. On this view, Ladd rightly draws the conclusion that social decisions are not and cannot be governed by the principles of morality.

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<sup>20</sup> Austin 1954: 124.

Decisions in private management, like decisions in public management, must take as their ethical premises the objectives that have been set for the organisation.  
(Simon 1965: 52)

Ethical premises are not therefore taken from the principle of morality. We have no grounds for expecting formal organisations (or their agents) to be honest, courageous, considerate, sympathetic or to exhibit any kind of moral integrity. Such terms have no place in the vocabulary of the organisational language game, except as rules of behaviour, backed by sanctions.

We can see why, on this view, ordinary moral standards which would prohibit such actions as secrecy, deception and espionage have no bearing upon the decisions and activities of formal organisations. Such actions are rational if they serve the objectives of the organisation, and they may indeed be required. Should these actions be limited or prohibited by the organisation, they are only so by virtue of the notion of limiting operating conditions, not by moral standards. The considerations that underpin organisational behaviour on this view are subject to the standard of rational efficiency - namely utility; whereas the actions of the individual in the capacity of citizen (rather than agent) are subject to ordinary standards of morality.

The analysis presented by Ladd arrives at this point with the conclusion that actions are subject to two entirely different and often incompatible standards:

social decisions are subject to the standard of rational efficiency (utility) whereas the actions of individuals as such are subject to the ordinary standards of morality.  
(Ladd 1970: 501)

Ladd proceeds to a discussion of the logical implications of this double standard for the relationship between organisations and individuals. He concludes that formal organisations cannot (for the reasons given above) assume a genuinely moral posture towards individuals. All purposive behaviour attributable to the organisation is a product of those principles relating to the objectives of the organisation. Moral principles are excluded as logically irrelevant, except where

these principles set limiting operating conditions to the effectiveness of the organisation's operations or where the rights and interests of individuals (demanded by morality) form part of the organisation's goals; in the latter case it is not moral principle adopted by the organisation but instead the product of moral principles taken as conducive to the interests of the organisation.

It would, on this language game analysis, be fatuous to consider it possible for an organisation to act or resist action on purely moral grounds, but it is normal to expect that the behaviour of an organisation will take account of prevailing moral requirements.

Let me sum up Ladd's position so far:

- His conclusions in his paper relate only to the ideal-type, the theory of how an organisation should be constructed and operated in order to accomplish its purpose with maximum efficiency; that is, a normative order consisting of a set of non-moral rules of conduct.
- This ideal makes demands upon the conduct of its members.
- Formal organisations are not moral persons and can have no moral rights (e.g. to freedom or autonomy).
- There can be nothing morally wrong in exercising coercion against a formal organisation as there would be in exercising it against the individual.
- It would be irrational for moral persons to feel any scruples about what we do to organisations.<sup>21</sup>
- The individual members of the formal organisation must still be treated as moral persons with rights and responsibilities.

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<sup>21</sup> On this matter Ladd's is obviously ignoring the fact that my moral status may be judged not only by the object of my action but also the action alone. Cheating the organisation is still cheating and displays something about my moral status. Furthermore, if I blackmail my building society, I am doing something morally wrong in itself as well as doing a wrong to the investors?.

Let me now state the problem that Ladd sees; there is a double standard of conduct which puts the individual in a condition referred to by Ladd as “moral schizophrenia”, which he characterises as a moral dilemma:

If we give up the standard of rationality e.g. of organisational operations, then we surrender one of the chief conditions of civilised life and progress as well as the hope of ever solving mankind’s perennial problems of practical life ..... On the other hand, if we give up the standards of ordinary moral conduct, then in effect we destroy ourselves as moral beings. (Ladd 1970: 512).

Now, whilst Ladd recognises the sociological and psychological aspects of the problem as important, he addresses himself to what he calls the “logico-ethical side that we cannot afford to ignore” (Ladd 1970: 512). He therefore seeks to pinpoint the “logical assumptions” in order to find an acceptable “solution of the paradox - at least in its theoretical aspects”.

The origin of the dilemma rests in what Ladd calls a “causal theory of action”. He states that this is a consequentialist theory which is taken for granted unquestioningly by many moral philosophers and is in fact “the general theory of action on which utilitarianism and other theories of rational behaviour are built.”

Ladd believes that a paradox arises from the notion of an action that is performed by an individual or group of individuals but is attributed to the organisation rather than the individual. The connection with the causal theory of action is through the idea that an action consists in causing change and the actions of formal organisations (social decisions) are on this view, causes of change.

We can see, then, how the individual might lose all responsibility for the decisions of his organisation, if, as the causal theory supposes, moral responsibility is assimilated to causal responsibility i.e. effectiveness. As the causal responsibility decreases, so does the moral responsibility. Hence, the less significant role a person plays in the social process, the less moral responsibility a person has for it. (Ladd 1970: 514)

Ladd is working on the assumption that organisational decisions are collective decisions; a potentially large number of social actions are collective actions therefore the part played by the individual "is neither necessary nor sufficient to bring about the change". It is this view which leads to his conclusion that "the activities of the individual are simply lost in the social process". Ladd is critical of the assumption that "the essence of an action is its producing an end state of affairs" on the grounds that when this underpins the proposition that "an action is rational if and only if it is the best means of attaining one's objectives", we are then committed to a definition of rational behaviour in terms of ends and means.

Essentially Ladd has applied a language game methodology as an analytical tool to explore the concept of the formal organisation and its relationship to its constituent individuals. He demonstrates clearly that by applying his methodology to the ideal-type of bureaucracy that neither moral concepts nor person concepts are applicable to formal organisations. Whilst I find most of what he says agreeable, I believe that Ladd has over complicated some aspects of his analysis, and I shall address these now continuing the discussion in the context of the business corporation as a specific example of a formal organisation.

*Reality Stops The game:* Ladd's paper in general turns out to be a very strong presentation of objections to the very idea of a corporate action and the ideal of rationality in formal organisations. I take issue with his view that acceptance of this concept of the organisational ideal commits one to the facets of this concept which are incompatible with the ordinary principles of morality. I do not believe that we are forced into his "paradox" by the basic concepts of organisational thinking. By going as far as he does with the ideal-type and the language game method of analysis, he defeats the arguments of those such as French whose muddled thinking carries imagination too far. But, his excellent use of the language game as a tool of analysis is itself carried too far. Continuing with the game analogy, we might say that rain has stopped play! Reality interrupts this analysis, insofar we have to take account of the real world, namely the players. If one accepts the entire concept of the ideal-type, then one can go the whole way with Ladd's argument and arrive at similar conclusions. However, I believe we need

not go that far. When it comes to the notion of a dual role, forced on the individual by virtue of the nature of the organisational ideal, he must drop the language game method of analysis and permit reality to enter his reasoning. He needs to look a little more closely at the decision processes of the business corporation for example. I intend to do that now and show that there is something missing which will colour the character of the relationship between the corporation and the individual, and that is the role or function that the corporation plays in the community of its constituent members. That role is essentially a motivational function; it makes easier the alignment of the goals of those who direct the activities of the business enterprise, and those who are required to work toward achieving those goals. I shall begin with a confusion apparent in Ladd's paper.

Ladd seems to drift between his *logico-ethical dilemma*, (which is that we either have to jettison one or other of the standards of conduct), and a moral dilemma (in which the individual is required to act according to two standards of conduct which present conflicting imperatives). Ladd says that "the dilemma arising out of the existence of two different standards is essentially a logical dilemma"(Ladd 1970: 510). He identifies three propositions regarding action and responsibility that underpin the double standard of conduct emerging from the organisational language-game analysis of formal organisations, all of which depend upon the concept of a causal theory of action; summarized in Ladd's words, these are:-

1. A logically and ethically tenable distinction can be made between by a representative (an actor) and the action itself, which is attributed to someone or something else (the author). When organisations act, the standards of conduct are applied directly to the organisation, bypassing the decision-makers and the officers who carried out the action. The paradox arises from the idea of an action that is performed by an individual or group of individuals and is not attributed to them.
2. The decisions made by, or on behalf of, organisations are social decisions and may be considered as collective decisions, for the part played by any single official is neither necessary no sufficient to bring about change. If, as the causal theory of action supposes, moral responsibility is assimilated to causal

responsibility, then moral action is understood in terms of its effectiveness. We can therefore see how the individual might lose all responsibility for the decisions of his organisation. As causal responsibility decreases, so does moral responsibility; thus the smaller the part one plays in a social action, the less responsibility will that actor bear. Only if we repudiate the causal theory of action and the implied assimilation of moral to causal responsibility will we be able to assess the actions of any particular official on their own merits.

3. An action is rational, according to the theory of social decisions, if and only if it is the best means of attaining one's objectives. This principle of rationality is based upon the assumption that the essence of an action is its producing an end state of affairs. Given the assimilation of moral responsibility to causal responsibility, then moral action is subject to definition in terms of end and means.

The drift is evident in Ladd's description of what I believe to be a mistaken view of the plight of the individual. His logical dilemma arises from the double standard of conduct arising from the reasoning in the considerations listed above (reasoning which I believe to be flawed). The conflicting standards of conduct Ladd seems to be troubled with are those moral imperatives which motivate *individual* moral action which result in the consequent attribution of responsibility (which I shall refer to as the *individual* standards) and "the standards of conduct applied to organisations, bypassing the individual decision-makers",<sup>22</sup> which I shall refer to as the *rational* or *efficient*.

Perhaps Ladd's example will make clearer just what his concern is. Consider the kind of action in which a number of persons remove a table from a room by their joint efforts. The part played by the individual is that of a partial, contributing cause to the effect that defines the action. Most actions of formal organisations have this collective characteristic insofar as the part played by any single official can be lost in the complexity of the social process and along with it the responsibility for the actions of his organisation is also lost (or diminished). Now this

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<sup>22</sup> Ladd 1970: 513.

claim is very important to Ladd's case, but it is wrong. Responsibility is not diminished as a result of many hands contributing to an act. Formal organisations appoint responsible persons as officers (bearers of responsibility) and even where the act is morally reprehensible, collective action makes the actors no less responsible for what they do - they were all murderers who stabbed Caesar.

Ladd goes on to point out that choices of decision makers are not attributed to the individual but instead to the organisation (or corporation); in doing so he is focusing on the aspect of the ideal type of formal organisation which has the unfortunate implication that a decision maker can resolve any dilemma posed by the two standards of conduct by opting out of personal moral responsibility; the officer of the formal organisation can immerse himself completely in the decision process of the corporation, and become a non-moral functionary in the impersonal formal organisation. Ladd's claim is that if we accept the basic concepts of organisational thinking, as he has elucidated in his paper, then we are forced into this kind of logico-ethical paradox; and on this basis he calls for a radical re-examination of the theory of action underlying organisational thought and action.

The problem here is that if we accept the Ladd's analysis in full, or if we go all the way with the language game type of analysis of formal organisations, then he is quite correct. However, we would be in danger of accepting (and perhaps legitimising) a very questionable duality of the decision maker in formal organisations.

In his paper on formal organisations, Ladd's presents an analysis which affords as much credibility as possible to *his own* interpretation of the ideal type so as to give himself something solid to knock down when he criticises it later as generative of dual standards of conduct. The implication that this duality resents a dual moral role for the individual is Ladd's interpretation and *not* indeed a consequence of accepting the validity of the ideal type as a characterisation of characteristics of the formal organisation. To a very large extent his analysis exposes facets of the organisational ideal that most certainly accord with commonly accepted views of the nature of formal organisations in general and the business corporation in particular. His analysis delivers quite a devastating blow to the

notion that a formal organisation can be a *moral person*. Furthermore, his analysis strengthens my argument throughout this thesis that a business corporation can best be described as a regulative device; a means of relating superiors and subordinates in a reciprocal relationship which is designed to further the goals of the business corporation. The problem, with Ladd's discussion is that he goes so far with his game-theory method of analysis that he ends up with a quite ridiculous conclusion: that the ideal type of formal organisation generates moral schizophrenia by presenting and legitimising dual standards of conduct. If we consider Ladd's discussion in terms of his objective, which is to address the inherent flaws in the causal theory of action (a theory which requires us to judge the intention of an action in terms of its outcome), then it becomes apparent that his discussion of the formal organisation is aimed more at scoring points against this consequentialist theory of action more than casting light upon the nature of the formal organisation.

The solution to the problem of corporate moral responsibility is hinted at in Ladd's flawed reasoning when he discusses the three propositions regarding action and responsibility that underlie the causal theory of action. Ladd talks about officers of the organisation. By definition, officers hold office; along with office comes identified role with defined limits of responsibility and authority. The officer of the organisation who makes a decision which is wrong has either gone beyond his responsibility, or has not exercised the quality of judgement commensurate with the office he holds. It is *because* we want to know who should take responsibility for particular judgements and actions that the concept of office is applied to organisational behaviour. By appointing officers we avoid the problem of individuals seeking to take a non-moral stance when deciding and acting on behalf of organisations. There is no dual role: it is individual persons who appoint officers and who are appointed as officers and these individual persons are human beings. Thus, there is no problem of conflicting moral motives for there is no dual role.

Regarding the problem of identifying the persons responsible for an organisation's conduct, Ladd has made a further error. He describes the organisational decision

as a type of social decision, then classes this social decision in the same category as a collective decision. It is worth stressing again at this point the distinction between these types of decision. A collective decision has no owner and is a product of an informal organisation. An organisational decision has an owner insofar as someone has to take responsibility for organisational decisions; if no one has the responsibility attached to their corporate role, then at a suitable level of seniority in the organisation, responsibility will be taken (either to implement the decision or to delegate responsibility for its implementation). If organisational conduct is to be questioned, there is an *organised* allocation of offices to particular individuals who are responsible for providing answers. When wrong has been done and no responsible officer can be found, then move up the organisational hierarchy because at some point the buck stops - ultimately responsibility rests at directors' level.

The distinction between collective and organisational decisions is indeed thrown into sharp focus when we look at the business corporation. Although in many formal organisations the offices may not be so clearly identified and allocated, in a formal organisation then they should be, and if not then the person who is responsible for allocating office on behalf of the organisation will be held responsible for that organisation's conduct. It is delegation of authority and responsibility that marks the characteristic difference between formal and informal organisations.

Let me take these criticisms further by examining Ladd's endeavour in some more detail but with the business corporation as an example of the formal organisation. Considering the "moral schizophrenia" that Ladd believes the dual standards of conduct would lead to, the corporate decision maker would be foolish not to pay heed to prevailing moral standards in the community, but corporate decisions (like all social decisions) are subject to the standards of rational efficiency whereas the ordinary standards of morality guide the actions of individuals:

An action that is right from the point of view of one of these standards may be wrong from the point of view of the other. (Ladd 1970: 501)

Ladd claims that the moral schizophrenia which this leads to will prompt the individual to retreat to the comfort and protection of the corporation to resolve the dilemma. The relative anonymity of the collective action allows the agent of the corporation to put his moral judgement aside and make decisions or take actions which conform to the objectives of the organisation. The individual deliberation process can, in the extreme, choose not to consult one's own conscience, but take as a guide the published principles or *beliefs* of the corporation.

I remind my reader that whilst the secretary's situation is an example of this, it is not a moral dilemma! Rather, it is simply a matter of deciding whether to do the morally right thing and not tell a lie, or be prudent and do what she is told. There is no moral dilemma here; there are just two possible perceptions the individual might have.

- different spheres which don't conflict - moral and prudential
- higher-ordering of one role above the other.<sup>23</sup>

There is no moral schizophrenia either, although there may well be moral myopia.

It is not characteristic of organisations in general that employees are required employees to behave in a morally reprehensible manner. One might point to a particular organisation as an example where morally wrong behaviour is required, but this does not validate the general point that Ladd is making. Furthermore, if I am a member of such an organisation and I know that it makes this requirement of me then there is no question that I will frequently find myself, as a moral person, in a dilemma - do I be moral or be prudent.<sup>24</sup> Ladd's claim that the formal structure of the ideal type of organisation generates a dual standard of action is just wrong. The standard of action in matters moral is the same within and without

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<sup>23</sup> For some, conscience is the highest-ordered role. For others, notably Hegel, the highest-ordered role is that of subject and citizen of the state.

<sup>24</sup> See my earlier discussion of the example of the secretary for the structure of the type of dilemma generated by organisations.

the organisation, so there is no moral schizophrenia. If we consider the *organisational role* of both the secretary and the boss, there is no moral dilemma either. The boss would be acting against the interests of the organisational interests if as a general principle he instructs people to behave in a morally wrong manner; nor is it in the corporate interest that the secretary's loyalty is to the boss rather than to the organisation as her employer. In other words, it is when the secretary steps out of the organisational role that matters of breaking a confidence or telling a lie function as moral matters. Whilst in their organisational roles the issues are clear, the boss will dismiss the secretary if his instructions are not carried out. Under these circumstances, the boss's behaviour may be morally wrong and is likely to contradict business conduct guidelines, but my dilemma as secretary is whether to be moral or be prudent, for I am not free to make the morally right decision without penalty. In reality, this is the way of things in the business corporation.

The formal organisation in general is a "continuous organisation of official functions bound by rules"<sup>25</sup> and they are "planned units, deliberately structured for the purpose of attaining specific goals" (Etzioni 1964: 4). It is these goals that constitute the foundation for decisions to be taken. In fact, if a decision or act is carried through without reference to these goals then the consequences will at best be merely contingently furthering the aims of the organisation and at worst contradicting the stated corporate goals.<sup>26</sup>

Ladd is quite right when he compares corporate decision making to a game. It is unlike personal decision making in many ways and as will be seen below, it is useful to follow the line Ladd takes but with corporations as a specific example of the type of formal organisation he discusses.

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<sup>25</sup> Max Weber, quoted in Etzioni 1964: 53.

<sup>26</sup> See Simon, 1965, and Blau & Scott, 1962, for an informative discussion of the characteristics of formal organisations.

The rules of decision making in a corporation exist either explicitly in a written code of conduct or implicitly in the corporate culture. In either case these rules, according to organisational theory, constitute a normative (non-moral) system of behaviour which also specifies the decision making process and the steps toward attaining the corporate goals. In other words, attaining the goal is not sufficient in itself as criterion of a correct decision or action, it is also necessary to observe and follow the process of corporate decision making. Just as a game is defined by its rules, the corporate endeavour is defined by its processes, procedures and goals. Not only can a corporate decision be judged on how it contributes to a corporate goal, it can also be judged on the conformity of the decision making to the corporate procedure. In which case if there is uncertainty on which decision will contribute most directly to the corporate goal, there can be more certainty in respect of which decision in accordance with the corporate procedure. Just as one might change a game by changing the rules, one might change the corporation by changing either its procedures, or its goals, or both. The upshot of this discussion is as follows.

1. The Simple View: Other people (or society) may make moral claims on the individual of the kinds:
  - a. do not infringe my rights
  - b. contribute to my welfare

Business corporations *cannot* make moral claims of this sort upon their employees (perhaps the language of loyalty is an attempt to conceal this), although they can make claims arising out of contracts.

2. The Complex View: Business corporations *can* make moral claims. For example, passing secrets on to your next employer is morally as well as legally wrong. Also, and interestingly too, a corporation might have its own moral rules (for example, we are an equal opportunities employer, therefore equal pay, no sexual harassment etc).

Now it is quite possible to identify instances where the rules of the corporation may be considered as moral rules (such as prohibitions on salesmen that they may

not criticise their competitors) and these may well be enforced, even when they work against its prudential interests.

**Corporate Decisions and Corporate Actions:** When a decision is made by following corporate procedure it becomes a corporate decision, and if a decision is made which does not conform to the procedure, then it is an individual decision. Regardless of the representatives involved in the decision making process it is a corporate decision if:

- it is made with the aim of furthering the objectives of the corporation
- it conforms to corporate procedure
- the decision maker has the correct level of authority

These are the necessary and sufficient conditions for a decision to qualify as a corporate decision.

Take a decision or action which meets the above criteria yet is later deemed as a wrong decision (that is to say, the corporation was seen not to benefit from that decision or action): what would be the consequences for *ownership* of the decision? It would still be a corporate decision but the individual responsible within the corporation may be subject to a role change or even excluded from the organisation if the mistake were serious enough. For example, the Company Treasurer makes a decision to invest cash in the overnight money markets and loses. Although this is indeed a corporate decision (or action), it is not a *good* decision. It meets the necessary criteria, but it throws into question the capacity of the individual to make corporate decisions. If the outcome is serious enough or repeated often enough, then it could bring about the demotion or dismissal of the Treasurer. Consider a similar situation, but where the necessary and sufficient conditions of a corporate decision are not met, and the outcome actually furthers the goals of the corporation, it may be the case that the corporation will take ownership of the decision or action after the event. Such an approval would only be given if the corporation could do so without risking its own existence.

A corporate agent acting outside of his authority may well cause the corporation to be bound by such a decision which, though not legitimate within the corporation, is in fact legally binding on the corporation. For example, the carpet salesman guarantees his carpets will not stain regardless of the substances that the customer might spill on them. He makes this statement to ensure that he makes the sale, but has no authority to do so. This action on the part of the salesman is not legitimate within the organisation, but the customer can make a compensation claim on the company (not the salesman) if it is found not to be true. Even if an agent makes a decision which is subsequently found to be contrary to the best interests of the corporation but is within the scope of his authority and binds the corporation to that decision, the agent may be held *personally* responsible through the exercise of bad judgement (within the corporation), but the individual is not *personally* responsible for the consequences outside of the corporation. Thus, it is required of the agent that the interests of the corporation take precedence over his personal interests; this is a prerequisite for the acceptance of authority. If an agent accepts the authority and has no intention of acting in the best interests of the corporation then the authority is undermined and his actions may well be illegal.

The role of the corporate decision maker is therefore considered to be impersonal in that the individual is acting in a representative capacity. Such decisions are made for the corporation with the aim of pursuing the objectives of the organisation, and not as a means of furthering personal interests.

In the business corporation, the assignment of roles and responsibilities creates an essential distinction between collective and corporate decision making. Consider Weber's view of the formal organisation quoted earlier as a "continuous organisation of official functions bound by rules" On this view, the corporate decision is directly attributable to the corporation and, because of the *official* nature of functions, the individuals in their corporate role can be identified with corporate decisions, whereas a collective decision implies no assignment of authority. A corporate decision, like that taken by an officer of a formal organisation, is a representative decision, it has an owner, despite our views on the

description we might be inclined to apply to a corporation. Contrasted with an informal organisation, it is reasonable to consider that the collective decision has no owner since it is an aggregate of individual decisions.<sup>27</sup>

It is here that the notion of agency arises again. Whilst we ordinarily consider that the role of the decision maker requires that he act as an agent of the corporation, there is often the unstated assumption that the genuine corporate decisions he makes are not his, since he is not acting in his own interests but in the corporate interest. To ask therefore, who is the real or rightful owner of the corporate decision, consider Hobbes on authority:

....Some have their words and actions owned by those whom they represent. And then the person is the Actor; and he that owneth his words and actions, is the AUTHOR: In which case the Actor acteth by Authority....So that by Authority, is always understood a Right of doing any act: and done by Authority, done by Commission, or Licence from him whose right it is. From hence it followeth, that when the Actor maketh a Covenant by Authority, he bindeth thereby the Author, no less than if he had made it himself; and no less subjecteth him to all the consequences of the same. (Hobbes Leviathan Ch 16).

It is in this Hobbesian sense that corporate decisions or actions are carried out. The wider business community may recognise the corporation as the owner of the decisions or actions of the officials acting in the capacity of official or agent of the corporation, but a corporate decision may well be recognised as a decision of a particular individual but this is of no consequence outside the corporation. The corporation is bound by such decisions of their agents acting both within and sometimes outwith their authority.

For an agent to act on behalf of a corporation, the agent must be able to make decisions or take actions after taking into account the best interests of the corpo-

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<sup>27</sup> Now one might object that I have not explained how a corporation hires an agent, and in any case such an explanation is prone to criticism on the grounds of a regress; Note that in the formation of a business organisation, this matter is addressed by the appointment of officers of the company.

ration. It is necessary therefore that the corporation spell out exactly what its aims and objectives are, and the procedures an agent should follow in order to act in its best interests.

Ladd considers that corporate decisions must take as their value premises, the goals and objectives set for and by the corporation. Authority to take corporate decisions exists only insofar as corporate interests are being served. Should an agent take decisions on any other basis, his authority is no longer justified. If decisions are taken to serve interests other than those of the corporation it is rather like cheating in a game. For example, if it is in the interests of my employer that I seek to recruit the services of a good engineer, and I follow the necessary procedures and complete the recruitment, then I have met the requirements of the office I hold. However, if it turns out that the engineer had paid me to recruit him then I have abused my authority by serving my own interests and only contingently served the corporate interests; I have in these circumstances acted outwith and perhaps contrary to the requirements of my authority.

In essence, the very idea of a corporate decision necessarily implies a value system as a reference in the deliberation process. This value system gets its expression in the corporate goals, objectives and procedures. A decision or action based upon any other values is not a corporate decision but in fact an individual decision. We can therefore make sense not only of the distinction between an individual decision and a corporate decision, but also understand the distinction between a good corporate decision and a bad one, without reference to morality.

Ladd points out that, on his interpretation of the ideal-type, the real goal of an organisation is the set of objectives used as a basis for prescribing and justifying the actions and decisions of the organisation itself, thus distinguishing between corporate decisions and individual or personal decisions within the organisation.

As such, then, the goal is an essential element in the language game of a formal organisation's activities in somewhat the same way as the goal of checkmating the king is an essential element in the game of chess. (Ladd 1970: 495).

Having specific goals is a distinctive characteristic of formal organisations. Communities for example, do not have goals as a necessary aspect of their existence. Following the reasoning here, the very idea of a corporate decision or action is logically inseparable from the corporate goals and objectives. Consequently, action and aim are inseparable to the extent that a corporate decision or action not related to the corporate aims makes no sense. It is an unintelligible notion within language-game of formal organisations.

On this account a corporate decision is *good*

1. if the decision process is in accordance with that laid down by the corporation; and
2. is within the scope of authority of the decision maker; and
3. it contributes to the goals of the corporation.

the sole standard for the evaluation of an organisation, its activities and its decisions is its effectiveness in achieving its objectives within the framework of existing conditions and available means. (Ladd 1970: 497)

Applied to the business corporation and using the language of modern management literature, the effectiveness is often described as *rationality*. Corporate decisions and actions are rational in terms of consequences. The term *rationality* as applied to corporate decisions requires reference to a corporate goal, otherwise it is not an intelligible concept. A rational decision is one which is efficient in pursuing a corporate goal, but it is neutral in terms of the particular nature of the goal.

Behaviour...is rational insofar as it selects alternatives which are conducive to the achievement of previously selected goals. (Simon 1965: 5)

Whilst this account of rationality is simply stated, there is no doubt that the concept of rationality used here is not ethically neutral. In fact there is little to be gained, and perhaps much confusion created in the use of the term at all when applied in this sense to corporations:

To a philosopher it is clear that the technical use of *rationality* as it is found in social theory, for example, in the writings of Weber and Simon, amounts to a persuasive definition. Like the other terms used in these analyses that carry ethical-emotive meanings, for example, *good* and *should*, they attest to a covert endorsement of a certain kind of formal organisation, one structured according to the principle of efficiency they set forth. Despite assertions to the contrary they are not value free. (Ladd 1970: 497 - 498 )

Continuing with Ladd's theme of the organisational language-game, we can say that in deliberation about corporate decisions only those considerations related to the achievement of the corporate goals are relevant. But Ladd is fundamentally wrong when he uses the technical term *language-game* as used by philosophers to characterise the processes of justification employed within a corporation in such a way as to isolate corporate activities from *outside* (the language-game) criticism. In doing so he ends up with a line of argument which runs as follows:

- Weber's ideal-type can be formulated as a way of representing a kind of rational moral order and it can also be construed as describing a certain language game.
- The language game as advanced by Wittgenstein and others, is a useful tool of analysis; it can enable us to describe an activity by reference to a set of rules that determine not only what should or should not be done but also how what is done is to be rationally evaluated and defended and does so without committing ourselves to whether or not the evaluation and/or defence is moral evaluation (or defence).
- Morality can only enter into practical reasoning as an ethical premise, so organisational decisions must take as their ethical premises the objectives that have been set for the organisation.
- Social decisions and organisational decisions are not and cannot be governed by the principles of morality, therefore we cannot expect formal organisations, or their representatives acting in their official capacities, to be honest, courageous, sympathetic, considerate or to have any kind of moral integrity.

Now, Ladd does not of course agree with this concept of organisations that he is attacking. But given that he construed the organisational ideal in terms of a language-game, and it was he who advocates the use of the Wittgensteinian model of language game analysis to analyse the Weberian ideal-type, what else can we make of his endeavour when he also complains that:

Certain facets of the organisational ideal are incompatible with the ordinary principles of morality. (Ladd 1970: 488)

I think that Ladd has in fact gone a long way toward building his conclusion into the premises of his argument. It is he, Ladd, who cleverly uses the language-game method of analysis to examine one formulation of the formal organisation (the ideal-type) which lends itself well to that method. It is certainly not surprising that he draws his *logico-ethical* conclusion that the individual has two criteria of right action, the *rational* and the moral. What is surprising is that Ladd does not seem to recognise that this is not a moral dilemma. As I have indicated earlier; if circumstances require that as member of the organisation to decide on action X, whilst I consider that from a moral point of view I ought to choose action Y, then there is no moral dilemma. The position is clear. I have only one moral option. There is the possibility of a moral dilemma if I consider that following corporate procedures, or pursuing corporate objectives, is moral and this moral imperative exists alongside a completely a different but equally valid and compelling moral imperative in my private life as an individual outside the corporation. However, such a dilemma will only prevail if at the level of assumptions, I accept that following corporate procedures is a moral alternative to my status as a moral being in my own right. The paradox which Ladd believes we are forced into by accepting the basic concepts of organisational thinking is at a deeper level. He claims that *the basic concepts of organisational thinking forces us into two standards of conduct; the ordinary standards of individual action and the standards of corporate action*. My counter claim is that Ladd has built the grounds of this claim into his analysis and when the organisational ideal is fully understood, the ordinary standards of individual moral conduct prevail: *there are no conflicting or competing standards of organisational conduct beyond the law itself*

The individual, remains a moral agent whether he is a member of one or many formal or informal organisations. The moral status of the moral agent does not change with a visible or invisible uniform. For example, when the law is broken, the State will hold responsible the individual or the corporation depending upon how that law is framed. It makes little difference whether we can find the actual decision maker when we want to hold someone responsible for a corporate decision; if we cannot find the right person in the particular department, then the boss will do! If we cannot find the department boss, then his boss will do! That is the basis upon which responsibility is allocated in formal organisations. Along with the level of authority that an individual member enjoys in his corporate appointment, comes the corresponding level of responsibility. If as a senior manager, I am responsible for the safety of the whole factory, then I have the authority to stop production if I need to do so on grounds of safety, regardless of the demands of my superiors. If I am over-ruled, then not only is my authority undermined, but my responsibility will also be seen to be diminished, and if I were to be held to account in a court of law, then the course of justice will show this to be the case. Furthermore, if in the lowly position of a shop floor worker, I am responsible for my own safety and that of the colleagues working with me, I will inherit the corresponding level of responsibility.

The law is enforced throughout the formal organisation through offices and roles; authority and responsibility is regulated in the same manner. If an individual decides to follow a course of action dictated by corporate objectives and procedures, and this conflicts with the law of the society in which the corporation operates, then the individual is held responsible and the corporation as a legal entity (or legal person) may also be held responsible, but when this individual was at the deliberation stage, he had no *legal dilemma*. He might have had the choice to do what is legal or to follow corporate procedures and break the law, but this is not a dilemma; his corporation does not stand apart from society with its own legal system. Corporate procedures and objectives are framed within the context of a legal system. If they are illegal, then the corporation runs foul of the law, and if the corporate member pursues these procedures and objectives, he joins in the

illegality of the corporation. What he cannot do is stand back and say that the corporation is responsible and he is not.

My claim is that in these respects of legal responsibility (considerations of strict liability, perhaps aside), the principles of law follow the principles employed in assigning moral responsibility, that there is no problem in recognising that the ordinary principles of morality prevail within and without the corporation. If a member of the corporation behaves in a morally reprehensible way, not only will the wider community recognise and judge his moral behaviour as his, but so ought the population of the corporation, even if his behaviour met with all the standards of rational action from the corporate point of view. If a corporation has procedures and objectives which the wider community judge to be morally reprehensible, then we would be right to condemn it as though it were a person. If we cannot identify decision makers when a corporation acts, then we simply condemn the corporation, and hold responsible the most appropriate senior member in the chain of command.

From a moral point of view, we can find the *best* way to treat a corporation without having to engage in the intellectually tortuous task of applying person concepts. Just as there is no legal schizophrenia and no legal dilemma, there is no moral schizophrenia and no moral dilemma. Other than our intuitive treatment of the corporation as a person, there is no moral concept of person applicable to a corporation.

The individuals constituting a corporation are also moral agents constituting society and must be treated as such, unless a case can be made to the contrary.

What then is the nature of the relationship between the corporation and its constituent individuals? One answer to this is that the corporation as an entity has no relation to the individuals, but instead, the corporation *is* the relation between each individual member and nothing more. Now it might be thought that my dismissal of the the notion of a corporation as a full fledged member of the moral community commits me to the other popular view of corporations and community in general; that of individualism. I do not believe it does, and I shall try to

show this by way of a discussion of a very successful management method, or practice, which has taken many forms, but is popularly known and identified as *management by objectives*.

## Chapter 2. Individualism and Management.

I shall now discuss the context in which individuals relate to one another in the modern business corporation in terms of a typical example of how the corporation is managed, namely *management by objectives*.<sup>28</sup> If the corporation is nothing more than the relationship between each of the constituent members, whether that be mediated through groups and sub-groups within the corporation, it should be possible to draw upon the explanatory power of individualism by way of an understanding of MBO. Let me begin with some *well worn* remarks on individualism.

The principle of individualism (or *methodological individualism* as it is often called) can be expressed as follows:

Individual persons constitute the social world; the psychological dispositions of the individual, together with his understanding of his situation form the basis of his actions; every complex social situation or event is the result of a particular configuration of individuals, their dispositions, beliefs and situations. (Hayek 1964: 54-55)

Note that an elaboration of criteria for acceptable social explanation is not concerned with the logical or structural features of explanation; that is, the logical relation holding between explanans and explanandum. Rather, individualism requires a *material* criterion; that is, the content of a social explanans must be *psychological*; which is to say that it must be stated in terms of situations, dispositions and beliefs.

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<sup>28</sup> Hereafter referred to as MBO.

The relation between the individual and the collectives of which he is a constituent member, is a highly complex matter which gives rise to two diametrically opposed views about the nature of social groupings and processes, individualism and holism. Although one can identify this very general distinction in differing social analyses, it would be wrong to imply that if one is not an individualist then he must be a holist (and vice versa). Rather, these should be seen as crude terms which express a tendency to one or other end of a continuum which at one extreme is *ontological individualism*, the view that social entities have no reality over and above the composite individuals and at the other, *ontological holism*, epitomised by Durkheim's view that:

society is not a mere sum of individuals. Rather, the system formed by their association represents a specific reality which has its own characteristics ..... The collective being is a being in its own right ..... Collective ways of acting or thinking have a reality outside of the individuals who, at every moment of time, conform to them. These ways of thinking and acting exist in their own right. The individual finds them completely formed and he cannot evade or change them.<sup>29</sup>

Consider, then, the individualism/holism debate in the context of a business corporation.<sup>30</sup> The terms *individualistic* and *individualism* will suffice as expressions for the view that social entities have no reality over and above the individuals who constitute them; all social phenomena can, in principle, be fully explained in terms of the psychological (or dispositional) and situational characteristics of the individuals involved.

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<sup>29</sup> Durkheim 1964: 103 and 124 lvi.

<sup>30</sup> In doing so, it will be more productive to drop the term *methodological individualism* since it is rather long winded, mysterious and a positive barrier to a clear understanding of the issues to be discussed.

## Situational Characteristics

Let me now outline the situational characteristics of the social process generated by the management of the labour force of a business corporation.

As a function of human resource management, labour relations<sup>31</sup> are of the utmost importance as a determinant of the productivity of a firm's employees. Thus, the method of business management forms the basis of the extractive skills of the organisation. With this in mind, consider the practice of MBO, where the extractive skills of management form an intrinsic part of the relationship between the manager as agent of the organisation and the employee as a seemingly separate entity.

Stated briefly, MBO is a method of management requiring a very high degree of employee participation; it is effected by each manager, acting as an agent of the company or business enterprise, *negotiating* and *agreeing* upon a set of objectives to be achieved by the individual employee within a given time frame. The agreed objectives constitute the performance criteria against which the individual's contribution to the goals of the company can be assessed. The assessment merits a rating which determines the occupational future of the employee in terms of salary level, promotion, demotion and ultimately dismissal. Thus where MBO is practised in conjunction with a classical hierarchical structure of management, and applied throughout the company, it is obvious that at every level of the management structure, each manager<sup>32</sup> is both an agent of the organisation negotiating objectives to be met by his subordinates, and at the same time a subordinate individual employee in his own right, attempting to meet the objectives that he has

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<sup>31</sup> In order to keep this discussion within the context of the business corporation, I work on the assumption that there is little or no controversy in citing the labour relations of a business corporation as an appropriate example of a social process in action.

<sup>32</sup> Note that the manager is at all times in a complex role, having the role of agent of the employer acting as a superior with power and influence over one or more subordinates, but at the same time, an individual employee subordinate to one or more superiors.

negotiated with his superior. Characterised in this way it is difficult to see an organisation such as the business enterprise as anything other than aggregate or configuration of actions, attitudes and circumstances of the constituent individuals.

The above situational characteristics entail an explanation of the company's performance purely in terms of the extent to which the individuals achieve their agreed objectives.

## Dispositional Characteristics

The dispositional aspect of this social process, consists in the aims, beliefs and attitudes of each individual interacting in the man/manager relationship.

Given that objectives must be agreed, what can be the parameters of agreement? The answer to such a question must rest upon at least one basic assumption; that the enterprise, whatever else it does, must have objectives which will secure its present and future existence in the most efficient and effective manner. A typical expression of corporate goals could be as follows.<sup>33</sup>

- Increase Profit
- Increase Market Share
- Grow with the Industry
- Be a Low Cost Producer
- Pursue a Sustainable Competitive Advantage

In order that the corporation realise its goals, there must be an *efficient* and *effective* exploitation of resources, which of course includes human resources (the labour pool). An efficient exploitation of resources may be expressed in simplistic fashion as a measure calculated on the basis of the relationship of output to input, or yield to investment and so on; but an effective exploitation of resources may

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<sup>33</sup> It has been argued, in contrast, that securing autonomy, economic growth and survival are the real goals of the corporation; see Galbraith 1967: 171 - 178.

be quite different. For example, if I wanted to produce motor vehicles, a simple calculation might show that an assembly line method where there is one man to each task, is the most efficient exploitation of all resources. However, if it is also my aim to stay in business as long as possible and not go for a quick profit and run, it would be prudent to ensure that my workers' motivation is high. This could be by way of job enrichment as a useful motivational device, in which case my production methods might vary to the extent that I would sacrifice a measure of productivity to gain a relatively high, yet sustainable performance from the workforce. Therefore, a lower level of efficiency than the optimum will suffice. In such a situation, an effective exploitation of resources will be the context in which efficiency will be pursued. Efficiency will, in this instance, consist in obtaining a maximum output from a minimum input over the longest possible time period, where sustainable productivity levels take priority over maximising output in anything other than a loss-making situation.

In short, an efficient and effective exploitation of resources will ensure the maximum possible return for the minimum of input over the longest possible time period. In other words, a break-even performance over a very long time period will often be considered as better than a quick profit which is likely to render the corporation inoperable. The point being stressed here is that since otherwise irrelevant factors in an efficiency calculation may have to be taken into account, a more complex criterion of efficiency than a simple input/output relationship may be needed to assess a company's performance.

However, in the light of the above economic assumption of longevity as a goal of the corporation, the parameters of agreement in the negotiation of employee objectives can now be expressed in terms of the expectations or motives of the MBO participants.

Continuing with the analysis of MBO from the perspective now of the individual employee, self interest will lead to the following:

- the rational individual, acting for himself, will seek to obtain agreement on those objectives which yield the maximum reward for the minimum of effort.

In other words, he will try to set objectives that he knows he can achieve with sufficient ease to enable him to continue working as long as it is physically possible; that is, the maximum of reward for minimum effort over the longest possible time frame without endangering his continued employment.

- the manager as agent of the organisation, will seek agreement with his subordinate on those objectives which yield the maximum output for the minimum of reward to the subordinate, which is in line with the aims of the organisation.

On the individualistic assumption that it is in the nature of the worker to be rational and self interested, it is these two considerations which form the parameters of agreement between the parties.

From the viewpoint of the participant employee, the aim in this social process of agreeing objectives is the pursuit of his self interest. From the point of view of the manager, we may say that his motivation is no less a pursuit of self interest since the greater the contribution of each member of his department against a limited reward, the greater will be his contribution to the goals of the corporation: bearing in mind of course that the department's contribution to these goals will form the basis of the department manager's objectives agreed between himself and his superior. However, in the manager's role of subordinate agreeing objectives with his own superior, the manager can be expected to pursue agreement on those objectives which will yield maximum reward for a minimum of effort on his part.

In summary, the dispositional characteristics of the members of the corporation are characterised as systematic pursuit of reward and avoidance of punishment of the individual. All of this is based upon assumptions that the employee is a rational and self interested, reward orientated being, a view which is somewhat obvious, given my discussion of *Motivation and Payment* in the Introduction to this essay.

## Motivation and Management By Objectives

Having described the situational and dispositional characteristics of a representative man, or typical employee, from the point of view of individualism, there is a lot still to be explained. Let me, therefore, review the account of MBO from the perspective of the participant. If we suppose that the success of this social process (produced by the interaction of the individuals negotiating and pursuing their objectives) does not amount to anything more than the individuals and their hopes, fears, beliefs, desires and actions, then we are left with a problem: how to explain away confounding consequences, such as the unbridled competition in search of an ever-increasing value of reward, which would be known by the rational participants to be an unrealistic pursuit in a situation of finite resources. MBO as a system of managing people, assumes and requires that each employee will not only compete for a share from the wages pot but also seek to maximise that share.

Consider again the individualist account of self interest as a motivator; there is some ground for revision of the view we have taken of the manager's intentions. It would appear that both in his management and subordinate roles, he will pursue his self interest, and in doing so, then it is only coincidental that he pursues the corporation's interests when negotiating objectives with his subordinate. By pursuing his own interests, he contingently pursues the corporation's end, that is, the extraction of a maximum of effort for a minimum of reward over the longest possible time frame, thereby promoting his own end. To say that an employee who consistently fails to perform to the standards required by his objectives will ultimately be dismissed, is not to explain his motivation to identify with and actively pursue the corporation's interests. Such an explanation merely accounts for the minimum of effort from an unwilling participant. The totally self interested rational participant would want to maximise the pay-off for the minimum of effort over the longest possible time period. His efficiency criterion would be no different from that of the corporation but directed towards his own interests it could be only contingently in the interests of the corporation, but perhaps contrary (in some instances) to the corporation's interests. If his motive in participation was to avoid dismissal, he would seek agreement on those objectives which would

ensure the minimum contribution to the goals of the corporation which would at the same time secure his continued employment. He would then settle for the best pay-off that such a strategy would yield. As long as he was interested in staying with the corporation, he would avoid risk taking where the cost would be the loss of his job. Under such circumstances, the participant could not be described as attempting to maximise his share of the wages pot.

It is no more adequate to explain self interest as a motivator in terms of reward, since, it would be obvious to the participants that not every employee can receive a reward to match their expectations in a situation of finite resources. It is questionable whether everyone would compete, since the prospect of a modest reward for modest effort would tend to be more attractive to a significant portion of the population. But this would merely reduce the number of competitors but not the ferocity and selfish nature of the competition for reward among those who decided to *have a go*; it would diminish the hunger but not the greed. Fierce competition would predominate in working life and the whole social process of the business activity, to the extent that it would be counterproductive since it would rule out the cooperation required for the corporation to pursue its goals. Cooperation is at the heart of MBO, and I would suggest that any management method must, by its nature, seek to organise productive endeavour and to do so cooperation is the basis upon which a competitive environment must be structured. This is not to say that competition is always a destructive influence; rather, the point is that, in general, competition without cooperation has no limit and no direction, and this individualistic account of MBO leaves no room for the cooperation which is at the heart of this management method. There are examples from game theory which support this view of the connection between competition and cooperation.<sup>34</sup>

Consider for example, the well known and much abused example of a *prisoner's dilemma*, where a prosecutor detains two accused persons, (person A and person B), in solitary confinement with no means of communication. Each prisoner is

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<sup>34</sup> See Rapoport 1970, also Axelrod 1981 and 1985.

then presented with an option of confessing or not confessing to the crime with which they are charged. They are then informed that on condition that they both confess, each will get a ten year sentence for a much less severe charge of being present at the scene of a crime by persons unknown. If one confesses and the other does not, then the confessant will receive only one year in jail whilst the accomplice will get a twenty year sentence for both the crime and obstructing justice. They both know that if both stay silent they will get only a minor sentence of about two years due to insufficient evidence. Now it can be seen that each prisoner has two strategies, *confess* or *stay silent*. The pay-offs can be written in a matrix to represent a non-zero-sum game as shown below.

A/B	B Stays Silent	B Confesses
A Stays Silent	2, 2	20, 1
A Confesses	1, 20	10, 10

The confess strategy for A and for B is better if they do not trust each other (1 is better than 2, and 10 is better than 20). Suppose, however, that the accused are permitted to consider their decision together, and decide to cooperate, they would reason as follows. If both confess they get 10 years each; if both stay silent they get 2 years each; the best strategy for both therefore is to stay silent. On the other hand, if they decide to compete for the best possible outcome with no cooperation with each other, then it is in the best interests each to confess immediately. The dilemma is now apparent, trust or not trust.

It is obvious that the 10, 10 outcome is a “reasonable”<sup>35</sup> outcome for each individual seeking to avoid the 20 year sentence, but it is clearly undesirable for the players as a group. If they trusted each other, the total pay-off to their group

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<sup>35</sup> It is of course common to use this example in support of particular views on rationality. I do not believe a discussion of rationality will contribute to the point I am trying to make here about the connection between cooperation and competition.

would be greater, since they would choose the strategy of mutual silence. Thus the strategy pair (A = confess, B = confess) is rational from the individual prisoner's point of view, whereas the rational collective strategy pair is (A = silent, B = silent). The outcome of this consideration is used here to support the point that competition among individuals who disregard the interests of the collective leads to a socially destructive pay-off even though it may be *rational* for the individual to choose the non-cooperative confess strategy.

In discussions of this nature the prisoner's dilemma, as a device to help clarify conflict and cooperation, can be seen to operate at three levels.

- between corporations
- between manager and worker
- between workers

The behaviour of business corporations in a competitive marketplace (for example, whether to keep within the informal agreements or break a trust in matters of price fixing) can be explored, in part, by drawing upon the lessons that this model can yield. Of direct relevance to this paper is the extent to which the prisoner's dilemma helps to clarify the behaviour between workers and between manager and worker. Taking the scenario that would prevail between manager and worker first, the dilemma could be restated in terms of worker A and manager B. If we make the egoistic assumption that the participants are self interested, we can state their objectives as follows: the worker gives minimum effort and seeks maximum reward, whilst the manager seeks maximum effort from the worker for minimum reward. In essence they have the same but conflicting objectives along the dimensions of effort and reward - maximum output for minimum input. In the scenario below, the numbers represent the utility of the outcome for the individuals.

A/B	B Co-operate	B Compete
A Co-operate	10, 10	1, 20
A Compete	20, 1	2, 2

Here we see that the 10, 10 outcome is a situation of cooperation between the manager and worker, whilst the 2,2 outcome is a stand-off (no co-operation). The 20, 1 outcome is quite simply the worker maximising his egoistic objective (or just simply cheating) whereas the 1, 20 outcome is the manager maximising his egoistic objective (or perhaps we might just call this exploitation). If we translated the above scenario to the conflict and co-operation that would emerge between fellow workers subscribing to the same egoistic objectives, then it would be little different except that the rule which one should follow is *don't be suckered*. One might object that repeated tries of this scenario would yield a different outcome. Furthermore, if there were uncertainty on the part of the participants about the number of tries that would be made in this situation of choice, then end-game effects would distort the outcome; so too would deception and unforgiveness. Whilst I would agree that one should not read too much into abstractions such as the prisoner's dilemma, I do hold that it is instructive to a degree. In my view, the lesson is clear, MBO may well be a management method which relies upon competition but it proceeds from unstated assumptions of a necessary cooperation between workers and between manager and worker. On the above account, unbridled self interest would be totally destructive in the context of MBO.

Although the theory of games is perhaps much too abstract to support a fertile definition of rationality my use of the example is to illustrate the socially destructive tendency of non-cooperation. Competition without cooperation is like playing a game without rules. Worse still, competition without cooperation or trust is more like playing a game in which the rules keep changing without notice: the result being no basis for trust should the players feel so inclined. In the game without rules, fairness and unfairness have no meaning, whereas in the game where the rules keep changing, fairness and unfairness are incalculable and selfishness,

deceit and mistrust form the only basis for participation. The absence of trust rules out the possibility of the development of *strategic* bonds, but the presence of trust forms the basis upon which strategic bonds can develop. In which case, the move from non-cooperation to cooperation has no firm foundation, but the move from cooperation to greater cooperation is quite straightforward, so too is the move from cooperation to constructive competition.

Cooperation is the context in which competition can be productive. Without cooperation, competition has no limitation, no direction and makes no sense. How then might the individualist explanation of the social process of management by objectives account for the success of a corporation in the face of such destructive competition generated by each individual pursuing his or her own interest? The individualist might respond by arguing that the competition generated by MBO is not destructive: this is obvious by virtue of the success of MBO. The competition is merely a case of each individual quite legitimately pursuing his own ends and the success of this activity is the natural consequence. A response of this kind amounts to little more than invoking an invisible hand type of explanation<sup>36</sup> which is often used as a very persuasive attempt to account for the unintentional emergence of some pattern or design which appears to have been, but is not in fact, an intentional outcome of the beliefs and desires of some individual(s). Variations on this theme have provided a foundation of sorts for the advocates of market forces as a regulator of economic activity in particular and the political regulation of society in general.<sup>37</sup>

There is the danger of undermining his own case if the individualist invoked this response. By invoking the *invisible hand* explanation, he is in fact introducing a somewhat mystical concept which cannot be shown to be reducible to the beliefs

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<sup>36</sup> For an interesting discussion and summary of “invisible hand” types of explanation, see Nozick 1974: 18 - 22.

<sup>37</sup> Hayek, 1964, has placed much emphasis on the invisible hand theme in a number of papers in his publication.

and desires of the participating individuals, which is the very idea he arguing against. To satisfy his own criteria for an acceptable social explanation, the individualist must show the connection between each pursuing his own interests and the socially desirable consequence; this he cannot do. What then can he say that will count as a satisfactory explanation of the success of MBO despite the fierce competition that must be engendered (according to the individualist's account) by this management system?

He might claim that it is in the individual's self interest to negotiate objectives which are achievable in the full knowledge of the competitiveness of his situation - the competitive element being tempered by each recognising that it would be in the interests of all to consider the aims of the enterprise as their own. But this still falls far short of motivating the individual to give maximum effort, or enthusiastic support to the corporation's goals. An explanation is required that can account for the success of MBO as a management method for securing the corporation's goals over sustained period of time during which the population of the organisation will undergo change.

To this end, the individualist might claim that cooperation is, in the long term, a rational strategy to adopt, therefore, the explanation in terms of a rational self interested representative man can accommodate the need for cooperation and competition. This will not do. In a situation where every individual pursues his own interests regardless of the interests of others, it is by no means rational for the representative man to make anything more than the minimum effort to achieve whatever goals he adopts; therefore, at worst he will be in competition with the goals of the organisation (as long as self interest is his motivation), and at best, only contingently in line with the organisation's goals. As indicated above, the rational self interested man cannot invest in trust as a strategy. Trust is the foundation of strategy and is in a totally different category from the concepts of self interest and competition; *trust* is a term referred to in the language of self interest, to give sense to the terms of competition.

The question remains as to whether there can be any kind of competition prior to cooperation. In my view, there cannot be, since competition has meaning only in the context of cooperation.

Perhaps one might point to Hobbes' *Leviathan* to cite an example of competitive situation which precedes a cooperation. The *state of nature* depicted by Hobbes could be interpreted as a state of unbridled competition which renders life of man "solitary, poore, nasty, brutish and short". This hypothetical situation is a product of a situation where "men live without other security, than what their own strength, and their own invention shall furnish", yet from this condition Hobbes shows how cooperation will emerge to enable each to secure his own life.<sup>38</sup>

The fear of death will generate conditions of cooperation to the extent that each can serve his own interests by seeking to cooperate with every other party who is willing to do likewise. In fact, Hobbes not only shows how bonds of cooperation can arise out of the conditions of the state of nature, but also develops the hypothesis to the extent that he shows how a moral theory might emerge. What becomes then of the view that cooperation cannot arise from competition when Hobbes shows us that it can? Three responses can be made to this question.

First, the scenario Hobbes presents is founded on the assumption that all persons are moved by fear of death, and this above all is the key to an understanding of the Hobbesian man. If one agrees with Hobbes then one is committed to this assumption. However, a valid objection to this is that fear of death is relative to one's culture, and therefore not the prime mover of human beings. For example, it may be a non-controversial assumption in northern European cultures that the prime mover of man is fear of death. That life is valued above all else is generally true, but one need look no further than the Islamic fundamentalist cultures to see that there may be no such fear. The prime mover in the Islamic case is the pleasing of one's god. Fear of a god is therefore also a key to understanding mankind. The problem therefore is not whether such an exception can fit with

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<sup>38</sup> Hobbes, *Leviathan*, Ch 13: 186.

Hobbes arguments as another assumption, rather, it shows that there is no single motivator at all. If there is one exception, there can be more, and Hobbes' hypothesis is prone to this criticism. His explanation of fear of death as the prime mover of human kind is incomplete and is weak on its own terms.

The second response is that even if the Hobbesian account of the emergence of society were true, it does not lend itself to the very structured situation of MBO. It would be stretching the analogy too far to compare the state of nature scenario to the business corporation.

A third and fundamental response is that there is no competition in the state of nature. Although each is seeking the common end, security, there is no competition for security. Competition only emerges when one seeks a victory of sorts over another, or others. What is being sought in the Hobbesian scenario is self security; there is no competition for this.

What the above responses amount to is that competition in its true sense only emerges when the hypothetical situation develops from an extremely abstract notion and some content is assumed. Thus we are back where we started. Competition gets its meaning in the context of an understanding of the limits and scope of the endeavour of the competitors and this understanding is itself, cooperation.

Returning then to MBO, it becomes apparent that the individual's willingness to put maximum effort into his contribution to the goals of the enterprise seems to run contrary to the self interest of individualism. Individualism fails to show how self interest, as a motivator of a reward-punishment machine, can generate strategic bonds of cooperation. Furthermore, if the individualist could show self interest to be such a motivator, then an account of how strategic bonds can be transformed into bonds of sentiment would be required since it is human sentiment which provides the key to an understanding of the source of the required conscientious acceptance, on the part of the employee, of the organisation's goals as his own.

My purpose here is to show that the social process emergent from management by objectives (which seems to be tailor-made for an individualistic explanation) produces the paradoxical result that individualism fails to yield a complete explanation. I have argued that the individualist account shows management by objectives to function as divisive and perhaps threatening to each participant, whilst systematically offering reward to only a few. Furthermore, by showing self interest to be a less than satisfying account of the representative individual's motivation, I have thereby made the charge that individualism is bereft of an adequate account of the most central characteristic of the social process of MBO (the recruitment of the participant's sentiment, that very thing which would ensure maximum effort for realistic reward in a situation of competition which is limited only by a spirit of cooperation) that characteristic which brings the aims of the individual in line with with the goals of the organisation: not simply to behave *as if* the goals of the organisation were the employee's own goal, but to actually share these goals.

## Employee Participation

I will argue that the very success of this social process in pursuing the goals of the organisation rests upon the presumption that by recruiting the willing participation of the individual, the organisation is drawing on something which is complex and has greater explanatory force than self interest: this complex thing is, in my opinion, *recognition*. Grasping the demands of the self conscious subject as worker and subordinate is necessary if the relationship between superior and subordinate is to be fully understood. In later chapters I shall address this notion by way of a survey of the complexity and significance of recognition in the world of work. Before doing so, let me clarify the conditions of willing participation in the pursuit of both the individual and corporate goals and objectives.

The requirements of the participatory element of management by objectives can be outlined as follows. First, in order that the individual can participate in the setting of his own objectives he must be afforded an extensive degree of freedom from authority. This means that since objectives are to be *agreed*, then the individual must have the capacity to negotiate on his own behalf, and have the right

to disagree without fear of jeopardising his status or association with the organisation. Otherwise the imposition of work objectives would be a mere issue of instructions or orders under another name. Furthermore, negotiating objectives requires that each party be enlightened as to his capacity for negotiation and, where necessary each party should be given adequate help (and training if necessary) to develop the ability to engage in this area of interpersonal activity. Special emphasis must be given to the training and monitoring of the superior of the parties in order to ensure that his position of authority should not be used to intimidate the subordinate.

Second; in order for the individual to achieve his objectives he is required to cooperate with his colleagues. But, if the individual is to achieve the maximum possible reward, he will want to (in fact, he must) compete with his colleagues. Therefore, he must also be enlightened as to the benefits to himself, his colleagues and the organisation of cooperation and the destructiveness of unbridled competition. To clarify this point, I must emphasise that where cooperation is a necessity, then competition cannot function as the foundation or context for cooperation. Where competition takes priority over cooperation then anything resembling cooperation will be merely accidental, and organisation, management and control will have been undermined, but most important of all is that competition bereft of its context, will have lost its very meaning. Constructive competition must therefore be founded upon cooperation and not the other way around.

Third, for the goals of the whole business enterprise to be achieved, an environment is required which will encourage each individual to adopt the organisation's goals as part of his own and motivate him to invest maximum effort without impairing his physical and mental health, over the longest possible time period.

How can all this be achieved? The answer, in my view, rests in the way in which the corporation, as an employer, can respond to key aspects of the worker, as employee, citizen and self conscious individual. The employing organisation must afford the participant recognition as an autonomous agent and as a member of the corporate body of the business company or enterprise. Typically this would include the following:

- Equality of status within the organisation (e.g. a single status company).
- A guaranteed minimum reward of such amount that the individual is afforded sufficient wealth that financial coercion will not be effective as a substitute for financial incentives.
- An assurance of *political access* - perhaps in the form of a grievance procedure which will allow access to the highest level of management the individual chooses to address his concerns (up to the policy making level of the company if necessary).

This membership would resemble a pact which will give the individual organisational freedom to pursue his objectives, rather than pursue the whims and passions of self interest, thus elevating his instinctive wants into reasoned judgements about what can be achieved. This is effected (Rousseau fashion) by replacing the dependence of one individual upon another, by the dependence of each upon all: "each man, in giving to all, gives himself to nobody" (Rousseau: 174).

In this way there is no other member over whom the individual does not acquire the same rights as he yields others over himself. The individual gains an equivalent for everything he loses and consolidates everything he has, by giving himself to all.<sup>39</sup>

Rousseau is writing in the context of State sovereignty, but it is clearly possible to use his ideas of contract and association in the industrial and business context to explain the participatory aspect of business organisations. But the point I wish to stress here is that by the realisation on the part of the individual that, in his intentional promotion of the goals of the corporation, he will be seen to be promoting something other than crude self interest, he will at the same time be contributing to the recognition of the kind of self he wishes to portray.

Let me now sum up the points covered so far in this discussion of individualism and management.

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<sup>39</sup> The measure of this transaction in the working life of an employee is not simply in the form of wages, as I will show in later stages of this thesis.

In summary, it has been shown that a purely individualistic account of the success of MBO is not as illuminating as one might at first have thought. Whereas the individualist account posits self interest as the motive force behind the willing participation of the individual, I see this explanation as unsatisfactory on the following grounds. Self interest is seen to be counterproductive in that it destroys the basis of trust in the social context of the business enterprise and it characterises the individual as competing or at odds with the corporate body of which he is a member. This is paradoxical since the MBO is intended to bring into line the aims of the corporation and the aims of each employee. This paradox exposes a confusion; if MBO is a construction of individualism, it should be fully explicable in terms of a philosophy of individualism, but this is not so! The philosophy of individualism fails to yield a satisfactory explanation. It would seem that we must draw upon assumptions of something more rich in explanatory force than the rather impoverished rhetoric of individualism.

To get to the essence of the problem, I intend to contrast two concepts of self; the simple (unanalysable) concept of self underpinning the deontological liberal philosophy whose focus is on the rights of individuals, and a very different, richer, concept which depicts self as a product of interpersonal relations.

## Chapter 3. The Self of Individualism

Watkins' renowned paper on *Ideal types and Historical Explanation*<sup>40</sup> is the epitome of an individualistic explanation of society where everything that can be said of a social process can be stated in terms of the psychological dispositions of the constituent individuals and their situations. Social unity, on this account, is reducible to strategic bonds arising out of the pursuit of self interest. Watkins is employing self interest to present a motivational account of society<sup>41</sup> and he argues that all social concepts are, in principle, reducible to the concepts and terms of individualism, and any explanation which employs social concepts is incomplete. It would seem that Watkins is suffering from too much of Hobbes. His excellent book on Hobbes is evident everywhere in his philosophy.<sup>42</sup>

### The Simple (unanalysable) Concept of Self.

The philosophy of individualism is founded upon theories of self interest which, in turn, yield some profound conclusions about the world and its inhabitants. The profundity of these conclusions is not matched by their power. A profound conclusion can also be a powerful conclusion if it is derived from arguments which rest upon weak (non-controversial) assumptions. The major problem with the

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<sup>40</sup> J W N Watkins *Ideal Types and Historical Explanation in The Philosophy of Social Explanation*, ed by Alan Ryan Oxford University Press 1973.

<sup>41</sup> Note that self interest may be employed in a genetic account which could lead to entirely different conclusions.

<sup>42</sup> J W N Watkins 1956.

philosophy of individualism is that the concept of self, upon which it is founded is a rather powerful assumption, consequently, conclusions arising from arguments based on the theories of self interest tend to be very profound but lacking in power. Furthermore, the absence of analyses of the concept of self in the philosophy of individualism is not only an embarrassing weakness, but is also a fundamental requirement of the deontological ethic which it underpins.

On the simplistic view of the individualist, self interest tends to remain at the intuitive level as an uninterpreted concept, the assumption being that since we all know what self means, we therefore know what self interest is, thus we have no need for an analysis of self. Now there is indeed a sense in which we all know what self is, even though we may have difficulty in articulating this knowledge. We know in an intuitive sense which allows us to use the term in common practice in everyday life and even when the writers on management theory use such terms as self, they seldom get beyond this intuitive level.<sup>43</sup>

It is to the philosopher that we would defer in matters of conceptual analysis, whilst trusting in our intuitive grasp of these concepts when incorporating them into ordinary verbal and written communication. Those management theorists who subscribe to, or demonstrate, uncritical acceptance of the values and concepts of individualist philosophy are required to go beyond intuitive knowledge in their use of such concepts but seldom is this in evidence!

Self is not simple; on the contrary, it is complex and therefore analysable. This thesis challenges the assumption of an intuitive knowledge of self, not by denying that we all know what self means, but by insisting that by its lack of analysis of self, the philosophy of individualism rests upon an insubstantial foundation; the literature on management practices which advocates a wealth of theories explaining how to control and motivate the worker, is based upon the foundations of individualism and is therefore similarly flawed.

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<sup>43</sup> In fact, it is common to find in management literature concepts such as justice, responsibility, virtue, and so on being used without question of definition in a similarly intuitive manner.

I shall present an analytic account of the complexity of the concept of *self*, which will show that self arises out of a collective context and I shall draw largely upon ideas arising out of my reading of Hegel.

I want to contrast the crude or simple concept of self with another sense which may be described as sophisticated or *complex*. The distinction drawn between these two depicts the complex concept as transcending the other in that it draws upon the capacity of a being to order its desires: a capacity which makes possible other orderings and creates the discipline which forms the structure of free will.

It is of the essence of self interest that it be expressed in terms of goals and objectives but in the simple sense, there cannot be a statement of particular interests. Such a statement can only occur in a concept of self which is complex and therefore analysable. Let me first lay my charge of *emptiness* of the rights rhetoric, then in the next chapter I shall defend a view of self consciousness as a product of interpersonal interaction, a product of community.

### **The Interests of a Self.**

The content of interests are goals, the objects of intent. In order to entertain the idea of goal-directed or purposive activity, it is necessary to distinguish it from non-purposive activity. An action of an organism which can be described as a purposive action involves the organism's identification of a goal and a disposition to the extent that the organism will modify its action in response to changes in the conditions of the goal, and will persist in pursuing the goal. This falls short of a definition in that it begs the question of the nature of intent. However, it will suffice for me to stress that purposive action should be clearly distinguished from functional action.

The function of an organ<sup>44</sup> or a behaviour pattern is that consequence without which whose general occurrence the organ or behaviour would not have been selected. (Clark 1982: 10)

Whereas non-purposeful action (a function) is not necessarily goal-directed but is necessarily established as the condition of another thing such as an organ or behaviour pattern, purposeful action is described in terms of intentional action and ends; the achievement of the ends being irrelevant.

For example, an object such as a heat-seeking missile exhibits functional activity insofar as it will detect energy in a target, at or above a critical temperature, as long as it has the energy to propel itself. It has the behavioural appearance of purposive activity in so far it changes direction and speed according to changes in its detected conditions of the target. Note, however, that the target has been identified by the person who launched the missile; his goal is to strike the target with the missile but the missile has no goal as such; it is merely programmed to seek heat, that is its function, that is why it was selected. Thus if the target discharges a decoy of the right speed, direction and temperature near to the heat-seeking missile then the decoy may well be struck instead of the target. The missile will have performed its function yet the *goal* of the operator who launched the missile has not been achieved. The point is that the missile had no goal, it had no intention, it merely had a function which was served. But we might say that in one sense its function was to destroy the target of the operator who launched the missile, but in the real, or physical sense, its function was merely to explode on contact with an object of a given energy level. There is of course no question of the missile having an interest or intention of destroying anything.

The discussion of interests raises many questions about how interests come to be in the world; about the nature of the life-systems which are bearers of interests; and about whether human beings have interests in everything with which they are involved. Identifying the provenance of interests can only be mere conjecture, but

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<sup>44</sup> I take Clarke's use of the term organ as synonymous with the term organism.

(without committing the neo-Darwinian sin of seeing function everywhere) it might be fruitful to draw upon the theory of evolution involving natural selection, to clarify this point.

A species might evolve whose inherited biological propensity to avoid untimely death will function as an aid to its continued existence. Now it may be claimed that this species of organism will generate another species which will be even more effective in avoiding destruction and will eventually come to demonstrate apparent expertise in this field. This action of avoidance is barely functional at this stage and is far removed from purposive. At what stage in the development process does the transition from *functional* to *purposive* behaviour occur? The answer is when the organism can make consistent responses to varying stimuli - it is this move from tropistic behaviour which may be described as forming the beginnings of purposive action. It is one task of the evolutionary biologist to find out just when, in the development of a species, this transition happens.

The embryologists and geneticists study the science of development and inheritance, two aspects of the same fundamental biological phenomenon. Inheritance is the mechanism of transmitting biological information from one generation to another; development is the utilisation of this information to produce a completely different or new individual. An embryo has a complete set of hereditary instructions and only the most meagre supply of materials to work with but it has an unfailing ability to carry them out. For example, a fertilised egg functions to divide itself into hundreds or thousands of smaller cells and then re-organises these cells into parts of the new adult. The process is fast, precise and so small in scale that it is awe inspiring. But the most awesome aspect for the biologists is the problem of differentiation (where a cell of one type, or its descendants, changes into a cell of a different type). Herein lies the problem of whether an organism of one type gives rise to another which which has, or can develop within its own lifetime, the capacity for identifying interests. Is it to biology that we should look to find the provenance of interests? Whilst my intuition tells me that there is a biological foundation to the development of the capacity of a being to have interests, I do not believe that biologists can ever provide a full

explanation. As long as one works from the assumption of natural selection then the origin of interests will remain a matter of conjecture; such theories must therefore allow for the possibility of the continued creation of new organisms or sudden modifications of existing organisms. Alternatives might be to look to theology or perhaps mysticism for the solution. But given what I have said about the distinction between function and purpose, I would want to add that the complex interplay between these two concepts makes it difficult to draw a clear line between functional activity and purposive activity in living things. Men and higher animals present clear and distinct examples of both kinds of activity as well as signs of combined purpose and function. Descriptions of such activity are limited by the problem of identifying the point where a difference in degree becomes a difference in kind; the point being that an action may fit more than one description. However, I consider that purposive behaviour is limited to organisms; that is, only a life form can be capable of purposive behaviour. Although those life forms which exhibit purposiveness are beyond clear identification, there can be no doubt that human beings and higher animals are the prime examples.

Whether human beings are *self interested* in everything with which they are involved is a difficult question. Depending upon whether one's definition of self interest has an ethical or a psychological base, the motive for action is not the same; that is, one should only act on the basis of self interest (ethically speaking) or one does only act on the basis of self interest (psychologically speaking). There is no doubt that human beings do have interests in every intentional act, but it is questionable whether this is on ethical or psychological grounds. Using the term *interests* in the ethical and the psychological sense, one can distinguish intentional or purposive from non-purposive or functional behaviour and perhaps differentiate one kind of action from another (and perhaps one kind of being from another).

Creatures that have no conception of themselves as beings in the world, surrounded by other beings with whom they have social relationships, cannot be selfish or unselfish. (Clark 1982: 55)

On this account, a concept of self as a prerequisite for the birth and development of interests, would, in my view, make no sense. Clark is stating that the concept of self is a product of the social interaction of a material world, rather than a prerequisite. Also, the nature of life systems that can be bearers of interests are those which have a conception of their own good. Only those life systems which can value things or conditions are capable of having interests. How sophisticated that capability is, will of course depend upon the stage of (and capacity for) development of the organism's value systems and its sensitivity to external stimuli. Considering persons, we may choose one option rather than another, but as a consequence of choosing, we might gain an external perspective on ourselves and want to revise that choice. This notion of revising our choices would, in my view, necessarily include a Rawlsian notion of a *plan of life* which is "designed to permit the harmonious satisfaction of .... interests" (Rawls 1972: 93).

But Rawls is among a number of powerful advocates of liberal philosophy who, by virtue of the core idea which gives liberalism its appeal, could not subscribe to the notion that interests, desires and social relationships are in any way constitutive of self. Looking at the often incompatible variety of liberal theories that abound it is notable that they are not classified together on the basis of their conception of liberty. To find out what they have in common, one must look to the metaphysical picture of the self that liberalism portrays; herein lies the strength and the weakness of liberalism; the strength is the purity of the concept of self interest and the weakness is in the fact that this purity is gained at the cost of emptiness of the concept.

### ***The Emptiness of the Rights Rhetoric.***

The simple sense of self must be given content, thus an analysis of self which implies a theory of interests is required to show that self has content (interests and goals), but due to its simplicity the self interest of individualism has no possibility of a statement of particular interests. It can be pronounced only in terms of generalities which get their expression in prohibitive statements about formal limitations on free action; for example, the inviolability of the rights of other persons,

has produced a foundation for the rights based morality expressed by Nozick (1974).

This is an inherent problem with a rights based morality in that it is a morality of emptiness, a prohibitive morality expressed in terms of side constraints on free action. But since side constraints cannot reveal interests or even generate them, the simple concept of self cannot generate the complex concept. They remain distinctly separate, not on the extremes of a continuum but in different categories.

More than any other philosopher, Kant perceived the importance and necessary dependence of liberal ideas on the metaphysics of the first person. And in terms of the moral emptiness of liberalism, consider Kant's Critique of Practical Reason, where he states the "Fundamental Law of Pure Practical Reason" as follows:

So act that the maxim of your will could always hold at the same time as a principle establishing universal law (Kant 1788: 30)

Kant's formula requires us to adopt and act upon only those maxims that everyone else could and would adopt; this would tell us what principles would count as moral principles. But there is a problem in that whatever else it does, it does not really tell us what principles we should adopt. I cite this as an example of moral aim which has form but no content. However, drawing on the deontology of Kant, Nozick has presented a sketch of a theory of the moral basis of individual rights which can be cited as a modern example of a prohibitive morality which (unlike the individualistic philosophy of Kant) seeks its justification in self interest. Note the similarity in tone between the "Law of Pure Practical Reason" and the following:

What persons may and may not do to one another limits what they may do through the apparatus of the state, or do to establish a state. (Nozick 1974: 6)

Just as Kant is often accused of omitting to tell us what moral principles to adopt, Nozick in fact omits to tell us what persons may and may not do to one another, thus we remain in the domain of moral emptiness. Nozick does give us one very

general but strict principle which limits all other principles we may care to adopt, which is that the rights of others must not be violated. The rights of others determine the constraints upon one's actions, and the actions of the state, but this side constraint morality leaves unanswered the questions of what rights an individual has, and to what extent the rights of animals and other life forms are sacrosanct. It is problems of this nature that arise from basing morality on a concept of self which is assumed to be simple, and therefore unanalysable, consequently there is no possibility of a corresponding theory of interests.

Furthermore, by its very nature, the rights based theories cannot accept a theory of self which is constitutive of any element of the external world; liberalism requires that the right be prior to the good, a requirement which has very profound implications for the metaphysics of the self.

**The Right and The Good:** To get to the heart of the charge of emptiness of the rights rhetoric, it is necessary to look at the argument of liberalism for the primacy of justice. I shall contrast the liberal positions of both Kant and Mill to show that an argument for the *primacy of the subject* must succeed if the claims of liberalism for the primacy of justice is to succeed. The difficulty for the Kantian argument is that the necessary presupposition of a subject outwith the empirical world implies a disembodied self. This metaphysical conception of the self, which gets its fullest expression in Rawl's Theory of Justice, exposes the liberal individualist rights advocates to the charge of emptiness.

Kant's arguments underpin the liberal emphasis on justice, where human rights are the fundamental goal or objective of social order. Liberalism esteems choice above all else, and regards justice (the securing of rights) as the process which harmonises or reconciles the freedom of each individual with the freedom of all. These concepts of freedom and rights are intertwined to the extent that freedom exists in the ability to assert one's rights and true human rights are those necessitated by freedom.

Now given that it is the liberal conception of the self that I am attempting to elucidate, my reference to the arguments of Kant and other liberals in this chapter

will stop short of a thoroughgoing analysis of liberalism but will in fact be limited to grasping the reasoning behind the primacy of the subject, for this will yield an understanding of the weakness of liberalism in general and of the liberal concept of self in particular. It is to this end that I shall spend some time discussing the contrast between two different kinds of liberalism, that of Kant and that of Mill.

Justice as the highest of all social virtues is the one that must be met before the claims of the others can be made. If the happiness of society could be advanced by unjust means alone, justice would still prevail over happiness. Justice is primary in the sense that the demands of justice outweigh all other moral and political interests, regardless of how important or pressing these other interests may be. In this moral sense of the primacy of justice, even the general welfare cannot take precedence over individual rights.

To have a right, then, is, I conceive, to have something which society ought to defend in me the possession of. If the objector goes on to ask why it ought, I can give him no other reason than general utility. (Mill 1863: 50)

The essence of Mill's statement is that general utility being his justification then the right is secondary to the good, since it is the good (i.e. general utility) which is the justification for the sanctity of right. Although Mill was firmly in the liberal tradition, he could hardly be described as a deontological liberal in the strict sense. Mill represents a view of liberalism which advocates the primacy of justice in a moral sense, but this primacy unlike that of Kantian liberalism is not based on principles independently derived.

The Kantian, strict deontological, position not only subscribes to a view which describes the primacy of justice as a moral priority, but also holds that the priority of rights is justified in a way that does not depend on any particular conception of the good. It is to Kant one must turn to get to the fundamental reason for the priority of Right. The independent status of the rights sets the very parameters of the good.

... the concept of good and evil is not defined prior to the moral law, to which, it would seem, the former would have to serve as foundation; rather the concept of good and evil must be defined after and by means of the law.(Kant 1788: 65)

Whereas for Mill the sense of primacy is in fact of a first order moral nature, Kant distinguishes a second order, foundational sense, where the virtue of the moral law consists not in promoting some goal, or end, but is an end in itself, prior to all other ends and regulative in nature.

By primacy between two or more things connected by reason, I understand the prerogative of one by virtue of which it is the prime ground of determination of the combination with the others. In a narrower practical sense it refers to the prerogative of the interest of one so far as the interest of the others is subordinated to it and is not itself inferior to any other. (Kant 1788: 124)

Of the two kinds of liberalism being contrasted here, Kant's foundational sense stands opposed to teleology insofar as it describes a form of justification in which the derivation of first principles neither depends upon, nor presupposes, any ultimate human purposes or ends and has no recognition of any determinate conception of human good. This deontology opposes consequentialism in describing an ethic of the first order containing imperatives and prohibitions which take precedence (without qualification) over other moral concerns.

Mill is prominent among those liberals who believed that one could defend the latter kind of liberalism without recourse to the former. In fact he thought it necessary to separate the two and argued so. His argument for sanctity of right is essentially based upon sentiment which is composed not only of a

rational element, but also an animal element, the thirst for retaliation....this thirst derives its intensity, as well as its moral justification, from extraordinary important and impressive kind of utility which is concerned.... The interest is that of security to every one's feelings the most vital of all interests (Mill 1863:50)

Mill's reasoning is that the security is required by each and every individual to give us the immunity from evil, and the full value of the good. Without it, we would only live for the passing moment and

nothing but the gratification of the instant could be of any worth to us if we could be deprived of anything the next instant by whoever was momentarily stronger than ourselves. (Mill 1863: 50)

This feeling of right and wrong is so powerful and we count so assuredly on this feeling being reciprocated:

that *ought* and *should* grow into *must* and recognised indispensability becomes a moral necessity. (Mill 1863: 51)

Herein lies Mill's argument for the ground of right. And so Kantian liberalism must stand opposed to consequentialism for nothing is more fundamental to the very groundwork of our existence than securing our rights. No other justification is required.

Contrasted with the utilitarian view, liberalism in a strict deontological sense relies not upon the importance of right to utility for it has no concern with Mill's teleological foundation and psychological assumptions. Instead deontological liberalism is linked to the extent that Kant argued against the possibility of having one without the other, and his arguments come from two standpoints; his ethics and his metaphysics.

From a Kantian viewpoint utilitarianism is unreliable insofar as no empirical foundation can secure the priority of justice and the sanctity of rights. A powerful objection to utilitarianism and any other empirical foundation is that any principle, which relies for its validity upon certain desires and dispositions is conditional to no less an extent than the desires themselves. This Kantian criticism holds that since the desires and the means of satisfying them will vary both as a function of time and of specific individuals, then any principle depending upon them must be equally contingent. Therefore:

All practical principles which presuppose an object (material) of the faculty of desire as the determining ground of the will are without exception empirical and can furnish no practical laws. (Kant 1788: 19).

There is no way to avoid the charge that a justification of right grounded in utility (or any other empirical foundation) must, at least in principle, admit cases where justice is overruled by the general utility. And it is well quoted in the literature on liberal philosophy that Mill admits this:

though particular cases may occur in which some other social duty is so important, as to overtake any one of general maxims of justice. (Mill 1863: 59).

Kantian liberalism, because of the special nature of its justification of the priority of right, can not accept such a qualification, even in the interests of human happiness. Only an absolute affirmation of the primacy of justice can avoid the slippery path toward coercion and unfairness. Anything less than the absolute priority would admit empiricism. This would allow for differing conceptions of the primacy of justice and for any of these conceptions to be considered as regulative, would impose on some the conceptions of others and therefore deny or inhibit to some the freedom to be regulated by their own conception.

Men have differing views on the empirical end of happiness and what it consists of, so that as far as happiness is concerned, their will cannot be brought under any common principle nor thus under any external law harmonising with the freedom of everyone. (Kant 1793: 73)

Utilitarianism would, on the Kantian view, create the situation where the values of some were determined or influenced by others through unfairness and coercion, rather than a society where the ends of all persons were in harmony with the needs of each individual.

The priority of right has to have its foundation in a source which is prior to all empirical ends. Kant states that the priority of right is “derived entirely from the concept of freedom in the mutual external relationships of human beings and has

nothing to do with the end which all men have by nature (i.e. the aim of achieving happiness) or with the recognised means of attaining this end” (Kant 1793: 73). The foundation must be prior to all ends so that I am governed by principles which have no presupposed or particular ends, for in this way my pursuit of my own ends is consistent with a similar freedom for all.

By establishing this second order, or foundational, priority of justice, the moral priority is not only made possible, but is seen to be necessary. The independently derived principle of justice puts it into a different category of values, justice therefore has a privileged position with respect to the good in that it constrains it and sets its bounds.

Now this is where the entire notion of the priority of the right over the good gets very interesting. If the foundation of rights is not to be found in the purposes and ends of human nature, then to where must we look? The strict demands of the deontological ethic points to no material source, for this would undermine the priority of right. Kant’s answer is that the foundation of the priority of right is in fact in the priority of the subject; look not to the object of practical reason but to the subject.

Of duty, Kant asks:

what origin is there worthy of thee, and where is to be found the root of thy noble descent which proudly rejects all kinship with the inclinations....? (Kant 1788: 89).

The origin is a subject capable of an autonomous will. The deontological view places ultimate importance not on the ends we choose but our very capacity to choose and this capacity resides in the subject, prior to any particular end. Concerning the supremacy of the principles of morals, Kant says that philosophers have been in confusion “For they sought an object of the will in order to make it into the material and the foundation of a law....; instead, they should have looked for a law which directly determined the will a priori and only then sought the object suitable to it.” (Kant 1788: 66). If they had followed this line of reasoning, a foundation of rights independent of any particular object would have

been obvious from the distinction between a subject and object of practical reasoning. It is therefore clear that the claim for the priority of right, in the context of the moral and foundational senses distinguished earlier, requires an argument for the priority of the subject, which cannot be claimed on empirical grounds otherwise it cannot contribute to the work of the deontological ethic.

### *The Priority of The Subject.*

Kant's claim for the priority of the subject, can be understood by reviewing his epistemological argument in support of his conception of the subject. He takes what he believes to be indispensable characteristics of our experience and seeks out the presuppositions they give rise to. Kant starts from the idea that to know everything there is to know about myself, my introspection is limited to the product of my senses. As a sentient being I can know myself only as an object of experience. This self knowledge can amount to no more than an understanding of myself as a bearer of desires, inclinations and other dispositions of this kind. Kant says that man cannot know what he is *in himself* by inner sensation (introspection); the stream of appearances cannot allow man to get behind them to see what they are experiences of! We must therefore presume something further.

Yet beyond this character of himself as a subject, made up, as it is, of mere appearances he must suppose there to be something else which is its ground - namely, his Ego as this may be constituted in itself; and thus as regards mere perception and the capacity of receiving sensations he must count himself as belonging to the *sensible world*, but as regards whatever there may be in him of pure activity (whatever comes into consciousness, not through affection of the senses, but immediately) he must count himself as belonging to the *intellectual world*, of which, however, he knows nothing further. (Kant 1785: 107).

This argument of Kant's that there is something beyond or behind our empirical knowledge provides the principle of unity of our self perceptions; this of course is the subject itself, the single consciousness which binds together the stream of

perceptions and ever changing representations of the sensible world. It is because we cannot grasp this principle empirically that we must presume its validity.

The thought that the representations given in intuition are and all belong to me, is therefore equivalent to the thought that I unite them in one self consciousness, or can at least so unite them; and although this thought is not itself the consciousness of the *synthesis* of the representations, it presupposes the possibility of that synthesis. In other words, in so far as I can grasp the manifold of the representations in one consciousness, do I call them one and all mine. (Kant 1787: 54).

Considered merely as an object of experience, I am part of the sensible world and my actions are subject to, and determined by, the laws of nature. It is by virtue of my status as subject that I am at the same time free and independent of the laws of nature with the capacity for acting autonomously.

If I were solely a member of the intelligible world, all my actions would be in perfect conformity with the principle of the autonomy of a pure will; if I were solely a part of the sensible world, they would have to be taken as in complete conformity with the law of nature governing desires and inclinations. (Kant 1785: 110).

It is only from the intelligible world standpoint that I can consider myself as free and not driven by desire for ends which govern my action. My will therefore is a first cause and not a consequence of some end or other. However, the essential point of Kant's argument is the concept of the subject independent of and prior to experience:

the intelligible world contains the ground of the sensible world and therefore also of its laws (Kant 1785: 111).

This priority is not only a necessary presupposition of the possibility of self knowledge and freedom, but also fundamental to the independence of the subject.

The Kantian position clearly rests upon the priority of rights, which in turn rests upon the priority of the subject. In this ordering, the principles governing society do not presuppose any particular conception of the good and persons are respected as subjects and as end in themselves.

The Kantian foundation of the strict deontological liberal philosophy which esteems choice above all, is popularly held to be immune from the type of dispute which renders vulnerable those political theories which rest upon assumptions of human nature and conceptions of the good. Because this liberalism assumes no particular conception of human motivation nor any special theory of personality it enjoys this immunity. M J Sandel in his *Liberalism and the Limits of Justice* puts the problem of deontological ethics in sharp focus by a thorough analysis of the use made of it by Rawls. Sandel's endeavour is to point to where the deontological theory of the person goes wrong and how its shortcomings undermine the primacy of justice. In taking this approach, he presents a very clear and persuasive argument that we cannot understand ourselves as independent of the empirical world as required, and that it is in the partiality of the self image we have, that the limits of justice can be found.

The relevance of Sandel's work to this thesis is that he has gone straight to the foundation of the Kantian argument for the priority of the self and demonstrated just how empty that concept of self is; consequently he has provided the ground for the charge of the emptiness of the rights rhetoric. In so doing, his attention is directed to the most imaginative exponent of the Kantian position, Rawls and his *Theory of Justice*. For Rawls, the securing of rights (justice) is the procedure whereby each person's freedom is reconciled with that of his neighbours. A well ordered society must have as its first and foremost concern the guarantee of justice, since this is the condition in which each person can flourish according to his nature. Freeing the idea of rights from any conception of the good, is for Rawls, the task of a liberal theory of justice, thereby each individual can be able to develop in the way that best suits his nature and circumstance. Our rights would therefore be free from intrusion by moralists advocating that they know best or have the only legitimate conception of the good. Rawls holds that a well ordered society

will also assure good government, compatible with the plurality of human purposes.

The abstract statement of rights is intended to reflect no more than one fundamental requirement, which is that justice is the guarantee of freedom and it is respect for freedom itself which is the origin of the law, and the measure of a government's goodness is the extent to which it protects basic human rights from intrusion.

Now regardless of those liberal arguments one might bring forth from Mill to criticise the radical separation of rights and values, there is a deeper concern which Sandel addresses: beneath this clinically clean abstract idea of freedom and justice lies a similarly abstract idea of the individual person. Rawls declares "the self is prior to the ends which are affirmed by it" (Rawls 1971: 560). This priority requirement of the deontological ethic poses a special challenge for Rawls' project as it rules out a self that achieves its priority by inhabiting a noumenal realm. In Rawl's view, any account of self and ends must tell us not one thing, but two; how the self is distinguished from its ends and also how the self is connected to its ends. Without the first we are left with a radically situated subject; without the second, a radically disembodied subject.

Rawl's solution, which is implicit in the design of his 'original position' is to establish a conception of the self as a subject of possession. On this view our values and aims do not constitute our nature, but are variable circumstances; as 'possessions' they make for the variety and multiplicity of the human condition and cannot be considered by any universally applied theory of justice. However, Sandel shows in detail that no liberal theory can avoid a similar conclusion. A single universal standard of justice must achieve the standard by abstraction; by chipping away the characteristics which individuate or distinguish one self from another. This process, adopted by Rawls, where he strips away everything that matters to a person is of the essence what he means by fairness; he puts his idea of choice to individuals abstracted not only from their privileges but also their conception of their needs. The self that remains, after Rawls has peeled away all distinguishing attributes, is a chooser occupying Rawls' 'original position' and is

still a self, who retains whatever is necessary to freely enter a social contract with similar disprivileged selves.

Now the notion of a self as a subject of possession can be located in the assumption which says that the parties or persons take no interest in the interests of each other. This appears at first sight as a psychological claim, but as Sandel points out, "given its place in the original position it works as an epistemological claim, as a claim about the forms of self knowledge of which we are capable" (Sandel 1982: 54).

The importance of this is that Rawls can coherently hold that the assumption of mutual disinterest is "the main motivational condition of the original position" and yet "involve no particular theory of human motivations"<sup>45</sup> This is an assumption about the nature of the self and how it is constituted (i.e. as a subject who possess motivation in general) and not about the content of interests and ends, and it is intended to do the work of distinguishing the subject of interests from the content of interests. Just as Kant argued that all experience must be the experience of some subject, Rawls' assumption of mutual disinterest maintains that all interests must be the interests of some subject:

although the interests advanced by these plans are not assumed to be interests in the self, they are interests of a self that regards its conception of the good as worthy of recognition. (Rawls 1971:127)

As Rawls peels away these things that matters to a person, his theory of the person becomes clearer.

It should be noted that I make no restrictive assumptions about the parties conception of the good except that they are rational long term plans. While these plans determine the aims and interests of a self, the aims and interests are not assumed to be egoistic or selfish. Whether this is the case depends upon the kinds of ends a person pursues. If wealth, position and influence and the accolades of

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<sup>45</sup> See Rawls 1971: 189 and 130.

social prestige are a person's final purposes, then surely his conception of the good is egoistic. His dominant interests are in himself, not merely, as they must always be, interests of a self. (Rawls 1971:129)

In putting his theory of the person to work Rawls presents the notion of the self as a subject of possession, whose bounds as a self are fixed prior to experience. My identity as a deontological self, is given independently of my interests and my ends and my relations with other persons.

The question to be asked of Rawls, and the advocates of the deontological subject, is that in the stripping away of the aims and values, is the remaining abstract subject really left with the capacity for rational choice? I think that Sandel has shown that Rawls' discounting of everything that matters to a person has also robbed the abstract subject of his self.

Sandel takes his very pointed criticism further by arguing that the very idea of the empty self is incoherent. To derive the duties from the idea of rational choice alone is to remove the empirical conditions of the agent; we respect reason in ourselves only by respecting reason in other persons. Sandel highlights the difficulty of stopping short of the idea of the moral subject as a *transcendental self* existing always on the unknowable periphery of his world. Like Kant, Sandel sees the difficulty facing the strict deontologist, the abstracted self ceases to be an actor in the world and becomes a perspective on the world; the transcendental subject has no individuating characteristics, it is created by abstraction and deprived of self identity. Sandel has drawn upon this widely used objection to strike what seems like a mortal blow against Rawls' idea of the original position. However, Rawls has responded by saying of the *original position* that:<sup>46</sup>

When, in this way, we simulate being in this position, our reasoning no more commits us to a metaphysical doctrine about the nature of the self than our playing

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<sup>46</sup> In Rawls' response to this criticism he makes direct reference to Sandel in a footnote of his paper, "Justice as Fairness: Political Not Metaphysical" published in *Philosophy and Public Affairs*. Summer 1985, Vol 14, No 3, pages 223 - 251.

a game of Monopoly commits us to thinking that we are all landlords engaged in a desperate rivalry, winner take all. (Rawls 1985: 240)

Although Rawls can respond to Sandel that the original position is not a metaphysical statement of the nature persons, this does not completely undermine the general criticism that Sandel has articulated so well against the liberal idea of the subject.

Whereas Kant considered the presupposition of the transcendental self as incomprehensible in the terms we employ to describe experience of the phenomenal world, Sandel rejects the liberal idea of the subject as incoherent. For Kant, it lies at the limit of human understanding, which can never bring forth a description of the transcendental perspective, but merely point to it and cite it as a necessary idea of reason. To do justice to Kant's view one must not only draw upon his arguments which led him to postulate the existence of the transcendental self, but also recognise the metaphysical concerns Kant had about the self which can be found in *The Critique of Pure Reason*. Sandel's criticism of Rawls, however, is quite profound in that he gets to the heart of the matter of the transcendental self, a concept which troubles not the Kantians in their rights rhetoric as it troubled Kant.

Sandel's powerful claim, that the self is not prior to but the product of community is in my opinion correct, but it is not argued for in his destruction of the deontological presupposition of the self. In conclusion he says of liberalism that "it makes human agency an article of faith rather than an object of continuing attention and concern" (Sandel 1982: 183).

The deontological self is a subject so abstracted that it is either simple or empty. If it is simple (unanalysable) then it is indeed an article of faith, and if on the other hand it is empty, it will not do the work that is intended to do for the liberal theory of the person. Alternatively, a concept of self which is the product of community will stand in stark contrast to the liberal idea, and when argued for, it will be seen to be a very complex concept, rich in explanatory force when

brought to bear upon an understanding of the relationship between the corporation and its constituent members.

I shall go on to the next chapter and present an account of self as a product of community. In the following Chapter I shall use this conception of the person to explain the relationship between the superior and the subordinate (or worker and boss) in the modern business corporation, which is of course, the world of work.

## Chapter 4. Self as Product of Society.

### The Contribution of Experience.

In what way do a person's experiences in the world contribute to self understanding?

Before enlightenment, cutting wood and drawing water; after enlightenment, cutting wood and drawing water. It may turn out in the end that our particular form of consciousness is only a particular way of life. Selfhood may be a social construct after all. (Clark 1982: 48)

This interesting thesis that forms of consciousness are actually particular ways of life, is presented by Clark in the context of his discussion of the moral status of animals, where he also states that *selves* are beings who are obligated by rules, with hidden capacities and the ability to inspect their own desires. Furthermore, he says that consciousness of one's existence as a being in the world depends upon both internal and external factors, all of which centre around the concept of recognition.

The analytic account of the concept of self given here shall draw largely on ideas issuing from my reading of Hegel. I will present an uncritical reconstruction of his notion of self as an artefact, the product of interpersonal existence, which Hegel bases upon the thesis that recognition is the key to understanding the development of a consciousness of self. I shall now discuss the essential elements of consciousness of self with a view to assessing the contribution of experience.

This account of the conceptual development of self will be explicated by way of

an examination of the concept of desire and the role it plays in recognition and the consequent development of consciousness.

At a primitive level, self understanding begins with a conception of ourselves as animals motivated by desire. For example, the desire to take and consume a natural object such as food gives man the knowledge of a distinction between the world as it is and the world as he wants it to be. Thus desire differentiates the known from the knower, the desired object from the desiring subject. Desire transforms *man and his world* from simply *being* into a complexity of objects revealed to a subject. But the contribution to self understanding is not in the satisfaction or dissipation of desire, but instead in the having of desire, for this is the condition in which man can “leave behind the colourful show of the sensuous here-and-now” (PS 177).<sup>47</sup>

In coming to know of this distinction between subject and object, man will at the same time, come to know of the desire as *his*; he will have a consciousness (however fleeting) of *his* desire and glimpse *self*.

With that first moment, self consciousness is in the form of consciousness, and the whole expanse of the sensuous world is preserved for it, but at the same time only as connected with the second moment, the unity of consciousness with itself; and hence the sensuous world is for it an enduring existence which, however, is only appearance, or a difference which, in itself, is no difference. (PS 167)

There is a fleeting sense of separation in which man moves from simply being to a knowing being, this is what constitutes man as *I*, but in minimal sense. The separation of desiring subject from desired object is a precursor to the separation of self from one's desires. Note that a desiring creature is forced to separate himself in thought from the objects of his contemplation, whereas man absorbed in pure reflection cannot make such a distinction. However, the continuity of his conception of self has its source in his conception of otherness being preserved,

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<sup>47</sup> Hegel, G W F (1807) *Phenomenology of Spirit*, hereafter referred to as PS. Quotations from this text will be referred to by PS followed by the Section Number in the Miller edition.

and this preservation is not in the form of a passive reflection of objects but instead consists in the negation of otherness through satisfaction or dissipation of desire. In due course, I shall discuss the separation of the desiring subject and desired object and connect it up to the separation of the desire and the desiring creature, and in doing so, make perspicuous the advance in self consciousness which constitutes man as *I* in the fullest sense.

It is desire that creates the first separation pertaining to the development of consciousness *man from his world*; it also creates the first relationship *man to the world*. Desire separates man from *his* world and relates him to *the* world, and as a key to the understanding of the development of self consciousness, desire functions as the synderesis of consciousness in that it reveals a mere glimpse of the otherness of the objects of man's thought but sufficient only to constitute a mere *sentiment of self*. Although desire directed toward a natural object is the vital spark of consciousness, at this level desire is natural and transient since it is created and subsequently dissipated in the presence and consumption of its object.

In its satisfaction desire destroys the object as it was and annihilates itself in the process. The object's otherness is replaced by its identity with the subject through the dissipation of the desire. Prior to desire, man and his world are not distinguished in any way within anything resembling consciousness. The emergence of desire creates the distinction between man and the world; the satisfaction (or dissipation) of the desire removes the awareness of the distinction and man is simply *being* (at one with his world). The satisfaction of desire is the wilful annihilation of desire whose end result is the same as the dissipation of an unsatisfied desire, which is *unity*, in thought, of man and the objects of his contemplation. In this, man, like the beast, experiences consciousness. But Hegel reminds us that:

consciousness, as self consciousness, has a double object: one is the immediate object, that of sense certainty and perception, which however for self consciousness has the character of a negative; and the second, viz. itself which is the true essence and is presented in the first instance only as opposed to the first object. (PS 167)

The desire discussed so far is *natural* in that it has the same nature as that to which it is directed; meaning that the sensuous world appears as phenomena whose being lies in me after negating its other; that being is the being of self consciousness (the nature of the object is assimilated by the desire and the desire therefore becomes one with the particular natural object). Prior to the satisfaction of the desire, the object is a thing separate or *other than* the desire; on the satisfaction or the dissipation of the desire the object loses its otherness and becomes one with the subject. This is an animalistic subject - object interaction which indicates that man is first and foremost *animal* motivated by desire. Despite the fact that some animals have a sense of self developed beyond this level, the point to bear in mind here is that if the nature of the beast is articulated by its desires, then at this level, man is no exception. But note that there are some things a man will desire whatever else he desires: this very thin theory of the good directs us to those things which are necessary to a self-determined existence for human kind.<sup>48</sup>

Having characterised the desire of a natural object as animal desire, a question remains as to wherein lies the secret of man's humanity in the context of this explication of consciousness and self? This primitive model of desire cannot make any significant advance in the understanding of the way in which a person's experience of the world contributes to his self understanding. It cannot yield more than the most rudimentary conception of self, a conception which is lacking in continuity and totally inadequate for self understanding. Nor can it contribute to an understanding of the two modes of desire:<sup>49</sup>

1. which of the medley of desires do I satisfy first and;
2. how, or in what way do I satisfy my desire.

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<sup>48</sup> cf Rawls (1971: 395 - 399) *Thin theory of the good*

<sup>49</sup> See *Hegel's Philosophy of Right* Trans T M Knox (Oxford 1952), para 12; hereafter referred to as PR. Where quotations from this text are used, they will be referred to by PR followed by the paragraph number.

We now tread upon the territory of the will. Herein lies the stuff of free action: the ordered will.

How can we account for the development of human self consciousness? The answer lies in the capacity of man's desire to transcend the natural: that is, to desire a non-natural object which cannot be assimilated but instead has a permanent *otherness*, and in doing so, abstract from the urgency of the desire and reflect on it; perhaps by relating to a plan of life or ordering it along with others according to his interests. Thus the simple (inadequate) model of primitive desire requires to be supplemented by an account of essentially human desire, the desire for recognition by another desiring consciousness.

What self consciousness distinguishes from itself as having being, also has in it, so far as it is positioned as being, not merely the character of sense-certainty and perception, but it is being that is reflected into itself, and the object of immediate desire is a living thing. (PS 168)

Man will recognise his own self when he desires the desire of another desirer, and achieves a permanent conception of his self through the desire of an object which has the status of permanent 'other', that is, a non-natural object which exists in the form of the desire of another being.

To want to be desired by another is to desire oneself to be recognised as an *object* of desire as well as a desiring subject; and, at the same time, to be recognised is also to be recognised as a somebody in some particular way. But note that in this reflection into oneself, one can recognise oneself in the recognition of the other. To desire the desire of another is to see oneself as self and other, and in obtaining the recognition of other, one recognises his own particular self.

Now, this movement of self consciousness in relation to another self consciousness has in this way been represented as the action of one self consciousness, but this action of the one has itself the double significance of being both its own action and the action of the other as well. For the other is equally independent and self contained, and there is nothing in it of which it is not itself the origin. The first does not have the object before it merely as it exists primarily for desire, but as

something that has an independent existence of its own, which, therefore it cannot utilise for its own purposes, if that object does not of its own accord do what the first does to it. Thus the movement is simply the double movement of two self-consciousnesses. Each sees the other do the same as it does; each does itself what it demands of the other, and therefore does what it does only in so far as the other does the same..... They recognise themselves as mutually recognising one another. (PS 182 & 184)

Within the model of desire under discussion it is apparent that interpersonal interaction is a fundamentally necessary condition of the development of consciousness. To want the desire of another is to transcend the natural by wanting something that has an independent existence of its own. Unlike a natural object, the desire of another self cannot be consumed. It cannot be utilised as an object of desire unless the other self makes itself an object of desire and this it will do only when it desires to be desired; it must do what the first does to it.

Each sees the other do the same as it does namely, the self seeks recognition as an object of desire as well as a desiring *subject*, and, in doing so, each does itself what it demands of the other. At the same time, being recognised as an object of desire is to be recognised in some particular way, and being recognised as a desiring subject is to be recognised as a particular person. People are known in no small measure by what they desire, and by whom they are desired; reflecting on his desire, a person will become conscious of his self and by reflecting on the content of his desires a person can discover the kind of self that he is. But note that all of this requires the application to oneself of concepts which serve to differentiate man from all other beings and objects in the world. These concepts get their expression not in isolated contemplation, but in interpersonal interaction and appear as the structural forms of relationships which are otherwise described as the *social*.

In this transcendent desire people relate to each other through recognition; they recognise themselves as mutually recognising one another. In this activity, the developing consciousness creates a *second relationship* that of self to other self. But this second relationship is at the same time the *first permanent relationship*

and it renders the *first (transient) relationship* (desiring subject to desired object) as the *second permanent relationship*, between self and other, through the stability now afforded by transcendent desire. In other words the subject/object relationship is made permanent only under the conditions of an interpersonal relationship which can afford a consciousness of self. There is an order of priority to be stressed at this point: man must have the capacity to abstract from the urgency of his desire in order to see himself as distinct from the objects of the world; then, man must desire those things which will afford a permanence to his sense of self as a desiring creature, thus the desire of a non-natural object is required. But prior to these there is the condition of it all, the interpersonal context. This is a crucially important point in the transition from first-order to second-order desire: objects are afforded their reality within an ontology in which the self is real.

### ***Second Order Desires and the Ordered Will.***

There is a gap between the primitive and second order models of desire which begs the question of how second order desires can emerge. It is the motivation of man to step back from the urgency of desires which requires explanation. On the account given so far, a simple push/pull mechanism of desire seems to emerge if one cannot show how and why man will reflect on his desires.

The capacity for reflection on desires is a necessary but not sufficient condition of the emergence of transcendent desire, but it is the multiplicity of desires interacting in mutual demand for satisfaction which begs the question of the source of the motivation to step back from the urgency of desire and create for the desirer an order of satisfaction.<sup>50</sup> Principles of resolution in conflicting desires are furnished by conceptions of one's present and future self, in which case one would be prudent to recognise not only preferred prospects, but also one's likely prospects in life. My conception of future self must take account of my conception of present self and likely future prospects. Plans of life must be realistic if they are to be more significant than dreams; they are a real expression of the will.

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<sup>50</sup> This source of the motivation will be addressed below in the discussion of the ordered will.

In analysing the concept of self determination, Frankfurt's interesting paper *Freedom of the Will and the Concept of a Person*<sup>51</sup> draws on the idea of *caring* about one's desires as a means of distinguishing first and second order desires. The basis for Frankfurt's distinction rests on whether a person with conflicting desires cares about which of the desires wins the conflict and would motivate his subsequent action when or if he acts at all. Caring in this instance is a species of *second-order desire*, that is, a desire to act in a specified way. He says that a *second order volition* is a desire that a certain one of the conflicting *first order desires* (desires to act one way or another) be the desire that moves a person all the way to action by governing what he actually does. Thus, a second-order desire, is a second order volition when someone wants a certain desire to be his will.

It is having second-order volitions, and not having second order desires generally, that I regard as essential to being a person (Frankfurt 1971: 10)

To illustrate this, Frankfurt describes as a *wanton* an agent who has first order desires and who may also have second order desires, but who does not have second-order volitions. He illustrates the distinction between a person and a wanton by his chief example of the difference between two drug addicts. An unwilling addict has, say, two conflicting first order desires which amount to wanting to take the drug and wanting also to refrain from taking it. The unwillingness is considered by Frankfurt to be a volition of the second order, in that the latter desire should constitute his will. The willing addict is moved only by circumstance and the relative strength of his first order desires. He has neither the capacity nor the concern for volition of the second order; and should the wanton have conflicting desires, he has a mindless indifference as to which desire constitutes his will. Frankfurt says that:

when a person acts, the desire by which he is moved is either the will he wants or a will he wants to be without. When a wanton acts it is neither. (Frankfurt 1971: 14)

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<sup>51</sup> Frankfurt 1971.

Frankfurt holds that an account of motivation which included only first order desires would not allow for an explanation of how a desire can move an agent to act against his will and how the agent can oppose and be motivated to intervene against this desire; Frankfurt's account of second order volitions is intended to provide the solution. A problem arises when we consider that if second order volition is ordinarily considered to be wholly derivative from the corresponding first order desire this adds no new motivation of its own. Despite this problem, there is something to the idea that it is distinctive of persons that they have the capacity to indicate the kinds of persons they choose to be by stepping back from the immediacy of some of their desires and assessing them from a dispassionate point of view.

The will is analysed by Hegel in his Introduction to the PR where he describes the first element of the will as follows:

the element of pure indeterminacy or that pure reflection of the ego into itself which involves the dissipation of every restriction and every content either immediately presented by nature, by needs, desires and impulses, or given and determined by any means whatever. This is the unrestricted infinity of absolute abstraction or universality, the pure thought of oneself. (PR 5)

This is what Hegel goes on to describe as negative freedom which knows itself in destruction. In man this freedom is entirely abstract in that it excludes reference to the self as embodiment of will but refers only to thought, pure and simple. Man can free himself from everything, abandon every aim and abstract from everything. It is this element of the will in which expression is given to man as a thinking being who has the power to give himself universality, that is, to extinguish all particularity, all determinacy.

Hegel gives us an example of this kind of freedom, in Brahmanism<sup>52</sup> where persistence in the bare knowledge of self identity is achieved through meditation, a

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<sup>52</sup> See *Hegel's Lectures on the Philosophy of History*, translated by J B Sibree, London 1857. PP 140-1, 148-51, and 156-8.

consciousness devoid of all content: an abstract self consciousness in the extreme. But one would question whether there is any greater degree of self consciousness in this than in the primitive model of desire where a being is at one with his world until moved to differentiation of self by the onset of desire. This is the second element of the will in its particularity:

At the same time, the ego is also the transition from undifferentiated indeterminacy to the differentiation, determination and positing of a determinacy as a content and object .... Through this positing of itself as something determinate, the ego steps in principle into determinate existence. This is the .... particularisation of the ego (PR 6)

This is the second moment of the will in that it was already there in the first moment of abstract universality, a view arising from Hegel's acceptance of the *general rule* that the particular is contained in the universal. But this second element is an abstraction also in that volition is determined by the particular and is therefore restricted by it. The will, however, is required to restrict itself, that is to say that the will is only a will in the mode of self determination. Hegel tells us that the will proper is a unity of both universality and particularity:

The will is the unity of both these moments it is particularity reflected into itself and so brought back to universality, ie. it is individuality ..... It determines itself and yet at the same time binds itself together with itself ..... Every self consciousness knows itself (i) as universal, as the potentiality of abstracting from everything determinate, and (ii) as particular with a determinate object, content and aim. (PR 7)

It is in self determination (the restriction of itself) that the moments of the will come together as the 'concrete concept of freedom'. Hegel tells us that we already possess this freedom in the form of feeling, and it is instantiated in friendship and love.<sup>53</sup> As an example to illustrate the process of the coming together of the elements of the will in the mode of self determination, I shall develop the instance

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<sup>53</sup> See PR 7A.

of feelings occurring in the the context of friendship and love, by way of a first person account of an episode in the life of a fictional person, Cecil Parkinspace.

As I set off to my usual restaurant for lunch each day I occasionally but quite coincidentally meet my female colleagues who seem to welcome my company. I begin to find that I look forward to meeting these colleagues and therefore make it appear that our occasional meetings are coincidental. I have a growing awareness that I have developed a stronger feeling than friendship with one particular colleague, Sarah. My routine activities in the office have been reorganised to make more opportunity for contact with her. I begin to see myself as lusting after her and contemplating the risks involved. I get confused and wonder whether it is simply lust. I have responsibilities and a loving relationship with my wife which I desire to maintain. I am aware of the risks involved if I do not change my behaviour: I might lose my wife, I might lose Sarah as my friend, but these risks, weighed against the benefit of gaining Sarah as a lover, make clearer the options open to me. I can stop going to lunch, or reschedule my lunchtime in order that I can avoid the presence of Sarah, and demonstrate to myself that my desires can be changed in order of priority. In other words, as I develop and evaluate the self that I have become, I also develop my awareness that I can manipulate my desires! I recognise various elements of deceit and cunning in my behaviour, I also recognise myself as a rational person who can *want to want* the association or relationship with this person. I can see that my desires can be different, I can *want not to want such desires*. The point is that my desires can be of a different order, despite their urgency. I can abstract from these desires and observe myself as a desiring creature.

The whole of this content, as we light upon it in its immediacy in the will, is there only as a medley and multiplicity of impulses, each of which is merely 'my desire' but exists alongside other desires which are likewise all 'mine', and each of which is at the same time something universal and indeterminate, aimed at all kinds of objects and satiable in all kinds of ways. (PR 12).

To expand on Hegel's point about indeterminacy let me again refer to the above example. It is characteristic of desire that it has two modalities. Which desire do

I satisfy; and how do I satisfy it? I have a medley of desires which conflict in mutual demand for satisfaction. If I want to do my duty to my spouse, I may simply appear to her, and the rest of the world, as the ideal husband and father to the children whilst at the same time, nurse a secret passion for Sarah. Or I may be both a husband and a lover; that is, I may want to do my duty to my wife and be the lover of Sarah. There again, if my desire is simply to be both a husband and a lover, I could be both without risking my marriage. I could do my duty and more, I could be my wife's lover also and eliminate from thought, any desire for Sarah. The point is of course that I need to separate the two modes of desire and eliminate any indeterminacy which prevails.

I may desire to be a faithful husband; a husband and lover; simply a lover; or a lover of specific females. But I can satisfy these desires only when I have removed the indeterminacy of which desire gets satisfied and since there are many ways of satisfying most of these desires, I must determine *how* I satisfy my ordered desires.

When in this kind of twofold indeterminacy, the will gives itself the form of individuality, this constitutes the resolution of the will and it is only in so far as it resolves that the will is an actual will at all. (PR 12)

Principles of resolution in conflicting desires are furnished by conceptions of the self, and it is in seeing myself as this or that kind of self that I can order my desires. It is not in satisfying my desire that I exercise free will, rather it is in *deciding* which desire to satisfy and which to suppress or eliminate that I exercise my will, since in deciding, I am also deciding on the sort of self I want to be. A decision such as this will be based on past, present and future conceptions of my self, together with present and future prospects in life. This is where individuality has its beginning.

But I cannot see myself as ordering my desires whatever they be unless I see myself as a self among others. The development of an ordering of desires requires a being to defer satisfaction of some desires he now has. The objects of these deferred desires may be the objects of the desires of other beings (or, perhaps it is more accurate to say that they are potential objects of the desires of others) and one

must take this into account. The decision process will involve deliberation on long term goals. A plan for life, however crude (and however short), is required as a context in which deliberation can take place; either to permit the harmonious satisfaction of one's interests, or to identify one's interests and the means of their achievement. But in all this I need to seek recognition as the sort of person I want to be.

To have my plan of life recognised by others is to be recognised as having a claim on certain objects of desire. Thus one would want to see oneself as others see oneself seeing oneself, in order that one can know that the plan of life is being communicated to others. The value inherent in a plan of life is, to a large extent, determined by the recognition given to it by other people (just as recognising another person's claim on goods is to some extent, valuing or adding value to them).

Recognition, when given, does not completely satisfy a desire since a self requires recognition, not just for the moment, but for continued existence as a self.

Referring again to my example of love and feelings, should I choose to be the husband of my wife whilst being the lover of Sarah, I may have to sacrifice opportunities for promotion to a more responsible position in my employment, since my behaviour may be viewed by my employer as indicative of irresponsibility and unreliability on my part, in which case, I would circumscribe my future occupational prospects: my selection as candidate for the top job would be seriously questioned. Although I hope to avoid being discovered as an adulterer, I have to take account of the self I will be seen to be should I fail to be discreet. Furthermore, I cannot escape from the fact that my choice to satisfy my desire for Sarah would make me an adulterous individual, and in making this choice I would be adding to my life experience by doing something which, though I could subsequently stop doing, I could not undo: adulterous behaviour would form part of my conception of myself and determine, in no small measure, my consciousness of my self.

The choices I make are based upon knowing myself and knowing the self I want to be. I may have a distorted view of myself, a view which has no basis in reality,

nevertheless, it is on this (perhaps unreal) basis that I make decisions about the self I choose to be. And, my choices are further determined by my capacity for ordering my desires. This point is of utmost importance in this model of desire since it is necessary to stress that the process is much more complex than a simple push/pull mechanism of desire. By contrast, Hobbesian desire is the precipitation of action, bodily movement, a movement which is toward or away from a thing: this he describes as *appetite* when it is toward a thing and *aversion* when it is movement away from a thing. Consciousness is, in this instance, consciousness of appetite and/or aversion and the experience of consciousness is merely the manifestation in the mind of bodily motion. Hobbes' materialistic view of desire characterises the *will* as the physiological motion (endeavour) which immediately precedes an action, provided that there has been a process of deliberation over the inclinations to one thing and the inclinations to another. Thus, for Hobbes, the will is merely another facet of human action as matter in motion. The will is simply the result of a balance of forces, a thorough-going determinism, and the principles of resolution in conflicting desires are mechanical principles: thus for Hobbes, there are no problems of ordering desires.

### ***Recognition.***

Hegel's rather famous passage in the PS describes the forms of desire and their function in the transition from man's animal nature to a proper self consciousness able to articulate those concepts which serve to differentiate man, as animal, from the rest of natural creation. In this functional pathology of history, Hegel maps out the emergence of the categories of self ascription; those categories are scrutinised by Hegel in the PR as person, autonomous (moral) subject, member of family, worker and citizen of a State.

Focusing on the category of person, the transition described in the PS moves from the life and death struggle of a *state of nature* condition to the realisation and acceptance of a universal moral law. It is depicted in the language of lordship and bondage (master and slave) where one party succeeds in overcoming and enslaving the other as a means to his ends. The master becomes distanced from reality in his life of leisure and consumption whilst the slave through his work in servitude

has his desires ordered for him, hence, paradoxically he can see that his desires can be staved off, he can see himself as an ordered will in a way that is not possible for the master in his life of consumption. Here Hegel shows the essential distinction between work and consumption, which is that work involves discipline. The importance of this should be stressed, in that discipline, service and obedience, all products of fear, are also those aspects of life which, in the slave, will invoke that higher ordering of desires essential to the development of an ordered will.

The reconstruction of Hegel's ideas are used here to do two things: (i) to argue against the simple (unanalysable) concept of self advanced in various degrees of sophistication by the rights rhetoricians and the advocates of individualism; and (ii) to produce an outcome which will show that those who argue in similar rhetorical style that a corporation is not only a legal and metaphysical person, but also a moral person, have a fundamental misconception of the nature of work, the consciousness of the worker and the function of the corporation in the relationship between employee and employer (or worker and master).

**The Struggle:** Man knows his own self through his perceptions of other people's reports of their perceptions of him. This, coupled with man's desire to be seen as this or that kind of self puts man in a condition of reflective equilibrium. Here and there a person will adjust his behaviour or plan of life in order to be recognised as the kind of self he wants to be: on reflection he may find it more appropriate to adjust his perception of himself rather than his plan or behaviour. It is more realistic to assume that he will keep his behaviour, plan and self-perception in balance by adjusting one or another, depending upon the reports he receives.

Hegel says that persons "recognise themselves as mutually recognising one another" (PS 184). To understand what it means to 'recognise' one another, consider again Hegel's use of the general rule that the particular is contained in the universal. To say that a particular with its specific difference is to be related to a universal, does not imply that in each case the relation can be effected by merely

subsuming the particular under the universal. With regard to consciousness, in order that the universal accommodates the specific features of the particular, it is more a matter of integrating human experience. Understanding what it means to recognise one another is to understand what it is that mediates between one person and another, between the individual consciousnesses. This consists in modes of being; being for self and being for other.

Hegel's explanation of the mediation between the individual and his culture is contained in his discussion of independence and dependence in the PS, where he points out that although the individual has the ability to integrate his capabilities and experience, the capacity is only realised in an interpersonal context. In relating the individual and the social, Hegel's move from individual capabilities to social reality is not direct. The mediation takes the form of a process of recognition and it is this that relates individual consciousnesses. The process of recognition is illustrated by way of the master and slave relation of Lordship and Bondage, where Hegel says that "the relation of the two self-conscious individuals is such that they prove themselves and each other through a life and death struggle" (PS 187). Here we can construct the simplest and most primitive model of the development of the consciousness of self arising out of human interaction: a model which yields a more complete sense of self than the model of desire for such things as, for example, objects of consumption. Whereas desire for objects of consumption dissipates upon satisfaction, the desire for human interaction does not; it is a desire which bears upon the desires of another desiring being and yields a permanent rather than a fleeting sense of self.

To develop this model further, let me draw upon Hegel's depiction of two self-consciousnesses, existing as two opposed shapes of consciousness.

Just as each stakes his own life, so each must seek the other's death, for it values the other no more than itself; its essential being is present to it in the form of an 'other', it is outside itself and must rid itself of its self-externality. (PS 187)

The moment one's life is staked nothing else matters. All desire is suspended and one is free from all wants.

As shapes of consciousness they have not yet exposed themselves to each other as self consciousnesses, but only as mere objects. Each consciousness must seek the confirmation of its own truth through the self certainty of the other:

this is possible only when each is for the other what the other is for it, only when each in its own self through its own action and again through the action of the other, achieves this pure abstraction of being-for-self. (PS 186).

At first, however, for each the other is merely an object, a means to the achievement of self consciousness. Development from this mode of existence as objects consists in seeing consciousness as not attached to any specific existence as such, that it is not attached to life. For each this requires action (a) on the part of the other, where each seeks the death of the other; and (b) on its own part, where each stakes its own life.

This model of human interaction may be reconstructed as follows. Recognition involves mutual awareness, on the part of at least two individuals, of individuating characteristics apparent in the context of general recognisable similarities. In seeing the other, each sees himself in the other insofar as there are general similarities which yield the recognition that they are two of a kind. Each discovers not only that he is similar to the other, but also that their similarity transcends his particularity and has the form of a common nature. This discovery precedes individuation since it is only through an awareness of the universality of a common nature that one has the context and conditions for recognising individuality. In becoming conscious of this similarity they each become aware of their particular differences, and the consequent struggle is the struggle of each to gain his sense of individuality lost in the awareness of their common nature.

In the struggle for recognition between individual self consciousnesses, "This trial by death" (PS 188), each puts his life at risk and in doing so puts everything in the balance, desire is suspended and the sense of self retained. But why engage in the struggle?

They must engage in this struggle, for they must raise their certainty of being for themselves to truth, both in the case of the other and in their own case. And it is only through staking one's life that freedom is won; (PS 187)

The parties treat each other as competitors, yet Hegel gives no clear statement about the source of the competition. The mistake commonly made about competition is that it is predicated on scarce resources. Hobbes, on the other hand, presents a very compelling argument that it is part of our nature to be competitive through the pursuit of power (a zero-sum commodity). But to cite competition as an attribute of either of these categories would be a mistake. Hegel has presented a situation which is quite unique, it is neither scarce resources nor pursuit of power which generates the struggle. What then is the source of the struggle?

The one would want what the other wants; recognition of his status as human. This mode of desire is built up reciprocally to a point where both parties seek a given self status through full recognition as human, and although they can give this to each other, elimination of the other is essential to the uniqueness of each.

In striving for recognition, each is struggling to be recognised as something - not just as a human being, but as an individual human being with specific, though contingent, properties. In the struggle, each attempts to gain a sense of uniqueness by eliminating the other consciousness.

**Status and Human Interaction** In the case of the struggle between equals, we are being asked to consider not merely aspects of life or attributes of particular individuals but the very idea of human nature itself. Thus, the basis upon which status is afforded is that which bears upon humanity itself, namely *being for self* and *being for other*. Full recognition in this case would be full human recognition, but full recognition can only be given by someone of similar status as oneself or by one whose recognition is valued by the other. For example, to be recognised as an expert mountaineer by the general public affords a recognition of less value and completeness than the same recognition by one's fellow mountaineers. In the former case one has the status of an expert but there is an incompleteness about it if one's peers do not subscribe to that view; yet if they do recognise the expertise,

this affords full recognition of expert status, even if their view is not endorsed by the general public. The recognition of expert status can only be afforded, in the full sense, by those whose opinions and judgements carry some authority.

In the case of the struggle between equals, the similarity consists in both affording each other the status of a developing human consciousness. It is important to note therefore that *full recognition as human* is not the same as *recognition as a fully developed human being*. The importance of this point is that in achieving recognition as a fully developed human being the ideal would come about where they are no longer adversaries, but this utopian or idyllic situation would be a halt to the development. They would have no reason or motivation to struggle, for there would be nothing further into which each could develop, they would conclude that they are as good as each other regardless of attributes. They would therefore be indifferent to each other, thus they would lose their attributes, but in doing so they would also lose each his nature, which is that of a developing consciousness.

And so, even in recognition there must be something more, otherwise there would be no way forward out of the struggle. Some propulsion, some kind of motive force must come from both. Completeness must not result in the condition of rest. The recognition desired must be a recognition which entails that there is always more to come. Within the scheme of things thus far considered, the nature of a human being must not be perfection, but striving for a fully articulated self consciousness. Therefore *full recognition* is not *recognition as a fully developed human being*.

If the struggle ends in death, as it does, then there would be no development, neither would realise his nature as human. Neither the vanquished who suffers death nor the conqueror whose opponent no longer affords him the recognition he seeks. If the struggle resulted in full human recognition between the two individuals there would be harmony between the parties; this would be complete stagnation, and it would present an equilibrium which has to be overcome if there is to be further development.

The *trial by death*, however, does away with the self certainty which it was intended to achieve. In death, the embodiment of the consciousness is eliminated and with it the consciousness itself. The struggle yields a more substantial sense of self than that which is generated by desire for such things as objects of consumption. Schematically (i.e. within the model being developed here), in putting life at risk, one's conception of self is enhanced by seeing that one is not subject to nature. This is the advance in consciousness produced by the struggle, but the enhanced sense of self is equally transient because it vanishes on the death of the other.

**Dominance and Submission:** In this animal life of the participants the model of the struggle shows how there can be an enhancement of the sense of self through human interaction with another. What it does not do is explain the permanence in a conception of self. To this extent, the model is inadequate. However, considered in human terms, the model may be transformed by the consideration that the victor will preserve the life of the other as soon as he sees that he no longer has the sense of self afforded by the other. A natural strategy for the victor to adopt is to preserve the life of the other as the permanent recognition of his own consciousness. Whereas in animal life the model of the struggle ends in death, in human life the model is transformed into a master and slave relationship.

Recognition of humanity is recognising one's nature in others; a natural equality. What happens from this point?

They never recognise each other as more than potentials; that is, as beings in the process of developing a fully articulated self consciousness. Thus the base line of the struggle must not be re-achieved or the development will cease. Since recognition as human is never complete, then there is never an end point. What each has recognised in the other is his own developing consciousness; they are equal as potentials. Attributes (contingent properties) come into play when the developing consciousness of the victor and that of the vanquished have to be realised, which they do in a complex but non-reciprocal interplay between desire, attributes and actions. To this end, one consciousness becomes master and the other, slave.

one is the independent consciousness whose essential nature is to be for itself, the other is the dependent consciousness whose essential nature is simply to live or to be for another. The former is lord, the other is bondsman. (PS 189)

The master, as “the independent consciousness whose essential nature is to be for itself”, in desiring recognition as human, would desire recognition as “being for other” as well as being for self. The slave at this point has experienced the fear of death and “has trembled in every fibre of its being”. The consequent *respect* for the lord has shaken the slave out of his narrow self interests and self identifications. He knows himself as a someone who is nothing, a pure negative consciousness.<sup>54</sup>

Each consciousness sees that mode of being which is essential to its nature as human being present to it in the form of *another*. Whilst the master would want to be for the other in order to achieve a more complete sense of self as human, he would see no display of the two modes of being in the slave so long as the slave desires life above recognition. But the motive force in this development of self consciousness is desire for recognition which contains an element of paradox: recognition as human can only be afforded freely, yet the slave is not free to recognise the master. Furthermore, the slave is not seeking freedom. He can recognise the master’s dominance but recognising a contingent property is far from freely recognising the master’s self consciousness. The struggle ends in an empty victory for the master, in that his recognition is now afforded by someone who, because of his subjection in defeat, has lost his conception of himself as a self conscious being.

To be recognised as essentially human, they must transcend their contingent properties. Their sameness of nature is thickly veiled by their roles and position. In the eyes of the master, the status of the slave is that of a mere object. The self consciousness of the master is no longer related in reciprocal struggle and competition with another. On the contrary, it is related to this other in asymmetrical terms of conformity and subjection. The slave does not struggle or compete, but

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<sup>54</sup> PS 149.

merely responds to punishment and reward and is shaped (to some extent) by the master's desire for consumption. The master's desires and actions are essentially self-centred, whilst the slave exists entirely for the master as a mere means to the enjoyment of things and as a *means* to things he has the status of things.

Bearing in mind that the recognition sought can only be had from someone of similar status as oneself, the slave, who has the status of an object, cannot give the recognition that the master's self consciousness desires. In seeing the master as *his* master he must see himself as slave: a degraded human being. Thus, what the master sees in the slave is a source of permanence in the recognition of self consciousness, ensured by the slave's absolute dependence, and what the slave sees in the master is independence. But what they see in each other is not what each sees in himself.

The truth of the independent consciousness is, accordingly, the servile consciousness of the bondsman. (PS 193)

Paradoxically, the master's desire to retain his independence depends upon the self consciousness of the slave. But in subjecting the slave to his will the master has distorted the consciousness of the slave and denied himself recognition of independence. But the slave's capacity and skill in producing the master's objects of consumption are now virtually indispensable, thus the master as a mere consumer of the slave's labour becomes dependent upon the slave. Since each consciousness recognises that it is subject to recognition by the other, the slave recognises himself as mere provider to the master. From here the dominant consciousness cannot develop further. The master has become contemptuous in the eyes of the slave.

The master's desire is that the slave freely recognise him as human, but he has blocked his own way forward since he is totally dependent upon the slave for recognition. But the slave's developing consciousness consists in the formative activity of his productions. Servitude will draw into itself and transform into truly independent consciousness. Through his servitude the slave rids himself of purely natural existence.

This conflict has many forms in the actual modes of social existence. Again I remind my reader that in my uncritical reconstruction (and usurping) of Hegel's ideas, these relations are merely formal, an elucidation of the function of interpersonal conflict in the formal emergence of the human consciousness. And whilst Hegel's endeavour is the elucidation of their general function for self-conscious growth, my use of the formal aspects of Hegel's ideas is to seek a framework for exploring the nature of the manager/worker relationship which will have more explanatory force than the self interested *representative man* of the liberalist tradition.

**Work as Desire Held in Check:** Whereas desires of the master are satisfied in the consumption of objects, the desires of the slave are, by virtue of his work, suspended.

Work, ..... is desire held in check, fleetingness staved off; in other words, work forms and shapes the thing, ..... the formative activity is at the same time the individuality or pure being-for-self of consciousness which now, in the work outside of it, acquires an element of permanence. It is in this way, therefore, that consciousness, qua worker, comes to see in the independent being (of the object) its own independence". (PS 195)

The slave's servile position provides the conditions for his desire to transcend mere consumption of objects (his natural existence) and yield a sense of self more substantial than that of the master. This is brought about by the realisation that the self-consciousness achieved in opposition to otherness (which resulted in the struggle) can now be rediscovered and developed in the otherness of his productions. The slave, in working on objects not for his own consumption sees, through the discipline of servitude, that his own desires can be ordered; initially ordered for him he then comes to the point of imposing an ordering of his own will in this production. His ordered will is what a person sees when he sees himself in his work.

The slave cannot satisfy his desires and eventually learns not only can he defer satisfaction of his desires but can *decide* not to have this or that desire. He has

freed himself from the urgency of his desires in a very sophisticated sense, in that he can (in a Kantian sense) free himself from his animal nature. The master and slave relationship is a model of the second realisation of such a freedom: this is freedom in the Rousseauian sense which implies that in doing what one feels inclined to do one is not free but, instead, merely subject to nature. This contrasts sharply with the Hobbesian sense where freedom consists in doing what one wants to do.

The model has depicted the master as locked into the consumption of the slave's provisions with no prospect of development into anything other than a slave of his own desires. In this respect, the master has regressed to the most primitive (infantile) stage in this odyssey of consciousness, whilst in the slave, the model has produced a means of recognising a more substantial sense of self than other models of self interested desire. What the model gives us is the connection between the ordered will and second order desires, where one can desire to have or not have certain desires. The connection consists in labour as the imposition of an ordered will on the external world. In labouring for another, the desires of the worker are ordered for him. In being the subject of discipline and obedience he can see his will as capable of being ordered and learns to order his will for himself. The master, as consumer, does not know himself in this way and until he does, he is trapped in consumption and is no more than a mere function of his animal nature. The slave as provider is liberated from his desires for consumption and his consequent *inner freedom* increases with the *inner bondage* of his master.

The search for recognition is a desire for reciprocal recognition which can only be possible in an interpersonal context; recognition gets its fullest expression in the institutions of society which form community. This is what the activity of the desiring consciousness is moving toward, even though this destination is not at first obvious. In a crude or primitive form the desire is, at first, a desire for one sided recognition for oneself, consequently it is crude in its expression and its

purpose and is self defeating. But since the developmental nature of the desire is not altered by the inadequate understanding of the seeker, its real end is society.<sup>55</sup>

The nature of the master's dominance is such that he wants to win over the heart and mind of the slave in so far as he desires that the slave *freely* recognise his existence as master and the slave's own existence as slave; but by virtue of his oppressed condition, the slave cannot give this recognition. The form this interaction takes is that the slave continues in his bondage to make his imprint upon the world, the mark of his individual will. As producer, he is able to acquire a consciousness of himself as agent, and a grasp of the world as containing ends as well as means. The master's retreat into his life of leisure and consumption increases his distance from reality and he loses that consciousness of himself as agent and at the same time diminishes his sense of the ends of his existence.

The *inner freedom* of the slave grows with the *inner bondage* of the master, until the slave is in a position to rise up and bind his oppressor, thus beginning the process again with a reversal of roles. Reciprocal recognition is the only way out of this *moment* of consciousness. The advance to the higher moment in which each party sees the other as end and not merely as means resolves the to and fro of dominance and submission. The question remains as to how this advance is made, and the answer is in the transition from labour for oneself to work for another.

The problem with slavery is that it recognises *might* but not necessarily *right*, which is to say that it is very difficult to legitimise slavery. A slave is someone who is in fact owned by another (person or entity) and has no rights against the owner, except perhaps to secure his own life, or to exercise those rights which the owner has granted. But the essential problem with slavery is that it draws upon those rights normally associated with private property (rights of use) and these are

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<sup>55</sup> I refer to the notion of a *developing consciousness* since we have to consider that, in addition to the phenomenological perspective we also have to take account of the internal motivation of the participants - what the individuals see themselves doing: developing a fully articulated self consciousness makes more sense than competing for scarce resources.

legal rights. Whether there ought to be property rights is a question which goes beyond the scope of this essay, but it is reasonable to assume that arguments for the existence of property rights would not readily include the ownership rights of exclusive use and transfer of persons.

Society is the only possible outcome of this quest for recognition, since relationships will be defined and mediated by law, and in recognising them as subjects of right, the relationship will be binding on the parties. Thus the master and slave relation will be subject to the formality of law, and law must by its nature stand above the parties and any relationships which bind them. If one accepts that the underlying purpose of law is to serve the need of social existence, then the unfettered ownership of a person by another person contradicts the basic assumptions upon which law is founded (the promotion of justice and the maintaining of order in the sphere of human interest). Law will from time to time transcend, and be transcended by, changes in relationships of dominion and right. It is the building and maintenance of the institutions necessary to sustain the relationships of dominion which ensures the systematic change in social relations. In ensuring dominion by the institutional complexities of society the system of slavery changes from bondsman to wage slave: this systematic transformation of slavery occurs at each attempt to enshrine the relationship in law.<sup>56</sup> As the system of wage labour is developed out of the the system of slavery, there will be a consequent change in the self consciousness of the participants of that system.

Labour is the primary means by which a being relates to the world. A being can labour upon things and shape the world to conform to his own desires, and can see in these shapes the reflection of his own existence; just as we can know an artist by his creations, a person can know more of his self by reflecting on the products of his own labours. Labour not only creates and changes relationships but can relate one generation to another in that labouring skills and methods are

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<sup>56</sup> A more satisfying understanding of slavery is developed by the generation of a more sophisticated practice of slavery. Consider Nozick's use of the *Tale of the Slave* as an example depicting an attempt to enshrine a master / slave relationship in a complex of rules (Nozick 1974: 290).

copied and improved upon by subsequent generations, thereby extending and transforming experience over time. Herein lie the foundations of family life and property relationships. It is consistent with Hegel's account of the development of consciousness that there is a need for formal relationships within which a man will find his own powers and capacities recognised by another of the same species. Thus we can see the foundations of family and marriage; including the need to secure the possessions necessary for family's continued existence.

But it is in this move to wage labour that the very nature of labour itself changes: labour becomes work! Work may be roughly defined as an activity which would not be undertaken voluntarily without some kind of reward. Whereas labour may be defined in terms of its expressive activity as constitutive of the very essence of self consciousness, by contrast, work is the instrumental aspect of labour.

Work, as a form of labour, brings to modern society many of those aspects of the self expressive nature of labour insofar as it is *what* a person is paid to do which defines his task, job or endeavour, but it is *how* he does his job which exhibits the expressive aspect of his labour. The importance of this distinction is to show how the transition from the to and fro of dominance and submission can move to that higher moment of reciprocal recognition of each as something more than means but as ends as well. Consider therefore, moral reciprocity; doing to others as one would have them do to oneself and giving an equal return for the benefits received. This is closely linked to impartiality, for to be impartial between oneself and someone else would mean doing nothing to profit at his expense - I will acknowledge your superiority, if you will acknowledge in my subordination my value to you. From this instrumental aspect of labour follow ideas such as a fair wage and with it a wage structure in which types of work are roughly graded according to notions of levels of skill and responsibility. This recognition of value of each to the other as means and as ends is, according to my line of discussion so far, a product of the ordered will, and it brings with it the notion of value for the discipline of work as an end in itself. Idleness is disapproved of as a deviation from a human norm: this is the foundation of the work ethic. The work ethic involves not only a disposition to judge everyone in terms of his employment but

also an intuitive belief that we are created through our employments to the extent that the questions, 'Who are you?' and 'What do you do?' come to mean the same thing.

Within the business enterprise such as the large corporation, each employee will recognise himself at a point on a continuum which at one extreme, has the lowest grade of worker (which may be referred to in emotive terms as the wage slave), and at the other the boss (who in similar terms may be considered as the professional exploiter). Whilst one's peers may not agree with one's self assessment or placing in the hierarchy of the corporation, potentially, all will be able to recognise that the corporation, of which they are all members, regulates the relationship each has with his peers, subordinates and superiors, whether it be a relationship of varying degrees of wage slavery or otherwise. Furthermore, whilst labour by its nature will function as a source of differentiation, distancing one from another, there will be other aspects of social integration which will emerge, such as marriage, property, and relations of family to family.

While we ordinarily think that the moral revolution which disallowed the punishment of any other than the single guilty person, not that person's family, was an acknowledgement that the individual was the real thing, it may instead be that 'the individual' was created then. (Clark 1982 p48).

On the account of the development of self consciousness I have described, the concept of self is seen to be *acquired* and not a *given*. It can be contrasted with the unanalysable concept of self prevalent in the rights rhetoric. An understanding of the motivation of the worker from the point of view of the self interest of individualism falls far short of illuminative and is seriously lacking in explanatory force, but as can be seen from the point of view in this chapter, a much more fertile and powerful concept of self is arrived at from very weak assumptions of desire. Having shown the inadequacy of individualism from a philosophical point of view, I have also shown, by implication, that to apply holistic concepts of *person* to corporations makes no sense. Corporations cannot be regarded, from a moral point of view, as anything more than the sum of its constituent members. But its members are people; each a self among other selves, they are persons, de-

fined by their relationships, their desires and their labours; they are workers in varying degrees of subordination. Corporations cannot be regarded as something inclusive of human persons, rather it is identical with them. To change the *character* of a corporation, simply change the way the people do things or change the people.

What, then, is the function of the corporation? My answer to this is that consistent with my account above of the nature of the development of consciousness of self, the corporation is a functional device. It has no *self* but a corporation functions as a regulator of relationships between superiors, peers and subordinates by providing context in which wage labour is carried out without connotations of slavery. In a mediating role, reciprocal recognition of each other as selves can be afforded without loss of dignity: when I recognise you as my boss, I am not being servile since you are only in a particular role, and when you recognise me as your subordinate, you do so in the knowledge that my lowly position is merely a role. I can still work and decide on *how* to do *what* you tell me to do; I can do it my way because the way I do my job is a reflection of the kind of self that I want to be seen as. These are the demands of the self conscious subject that I am.

On this view, the only legitimacy in matters of control of the worker by the boss is not in him as a person, but in the position afforded to him by virtue of his corporate role. The function of the corporation is to regulate relationships and in so doing, it will provide a framework for motivating the workforce. It is the failure to understand this function of the corporation that leads management to resort to the practices of *mill-owner capitalism* and all the accompanying archaic industrial practices when they do not get the desired response from applying this or that particular method. In other words, method alone is only applicable when management want the worker to behave *as if* he shares the corporate goals, but if the worker is to genuinely pursue the corporate goals as identical to his own, then an understanding of the consciousness of the worker is required.

In the next chapter I shall analyse and evaluate a specific example of management by objectives in the light of what has been said in this chapter and show how the *as if* approach is tantamount to treating people in a way which does not recognise

the demands of the worker as a self-conscious subject, but in fact is akin to treating a worker as a resource (or more crudely, merely as a means to achieving the manager's goals).

## Chapter 5. Manager and Worker

Recruiting the sentiment of the worker is one way of expressing the task of a manager in the modern business corporation. Despite the many definitions and descriptions of what a manager actually does, aligning the goals of their subordinates with those of the corporation is what all managers are seeking to do. It is not the task of the manager to determine the corporate strategy, that is left to the directors. The manager in the business corporation is there to engage the problems of increasing the productivity of his workforce, whilst taking every opportunity to cut the costs of doing so. The issues that management must address with regard to recruiting the enthusiastic participation of the worker in pursuing the corporate goals are arrived at by considering how one might distinguish between approaches which:

1. motivate the worker to behave *as if* he shares the corporate goals.
2. motivate workers to *actually* share the goals of the productive enterprise, recruiting their sentiment, enthusiasm etc.

This final chapter will address itself to these issues by drawing out the implications of each. The first issue can be addressed in a quite non-controversial manner by pointing to management's constant revision of production methodologies aimed at regimenting the worker to the extent that his freedom of choice of how he does his job is severely circumscribed. He is boxed into a method of production which by its very nature minimises wasted effort. But whilst this approach may improve efficiency and effectiveness in achieving the company's goals, there is no guarantee that it will *maximise* the efficiency. But there is no doubt that if management choose not to explore the productive contribution of a willingness on the part of

a worker to participate in the corporate endeavour, then the motivational aspect of work is being ignored, and the conception of the worker is impoverished. Such ignorance is fairly common in methods of management and it seems to also imply that the worker has no contribution to make, beyond doing what he must do to get his pay.

The task of aligning the efforts of the workers with the corporate aims must include an understanding of the worker as a self-conscious subject and what work means to him. By addressing the meaning of work to the subordinate management might be able to address the fundamentals of employee motivation. The route to this understanding of the employee is blocked by a failure of management to address the real issue of motivation. Is it enough to get the employee to behave *as if* the goals of the organisation are shared, or must the employee *actually* share those goals? This question goes to the heart of the issue of motivation, insofar as it tackles both the sincerity of management and the adequacy of the methodologies employed to channel the efforts of employees. If in fact if the *as if* approach is insufficient as a framework for the working relationship between superior and subordinate, then production and personnel management techniques cannot by themselves produce the goods. Only those measures which enable the workers to share in or partly constitute the enterprise and allow them a degree of ownership and control will systematically recruit the sentiment of the worker in making the goals of the organisation his own. This explains why share ownership schemes, for example, are not only attractive variations on payment systems, but are also necessary where management are incapable or not willing to develop a relationship with the worker which affords a recognition of the subordinate as more than a mere resource. One might do well to reflect on the fact that it seems rather odd that since the ownership structure of large modern corporations has moved so far from the model of owner and workers (with all of us as dummy shareholders through pensions and insurance schemes), that managers have sought to perpetuate the structure of mill-owner capitalism. Since even Ernest Saunders can get sacked, it must be hidden assumptions about functional identities that lead management to behave as though they were extractive *owners*, even to the extent where they resist shared ownership and control schemes which could be more ef-

ficient. It gives one the sense that management practice, let alone management theory, is still in its infancy.

Assuming that management have been seriously trying to motivate their workforce rather than pursuing the *as if* option, it would seem that recruiting the enthusiastic participation of the workforce is, and has always been, a difficult task throughout the history of organised labour.

A cynic might argue that being human the worker struggles to be treated as human, despite experience to the contrary. The history of the world of work would lead one to believe that employers and employing organisations function in a manner that would suggest that, within the business corporation, only those who *manage others* are worthy of respect. Sometimes managers behave like masters, sometimes crudely so, whilst at other times a high degree of subtlety is brought to bear on this role. Workers are in a subordinate relationship which, from time to time will be *painted* by management as autonomous in one sense or another. Often, however, autonomy is valued and encouraged in the business corporation. But this cynical view of workplace suggests that over the years of development of the extractive skills of management, working conditions have changed for reasons more akin to the benefit of the employer than those of the worker or the wider community. The narrow, dull, repetitive nature of work appears as a manifestation of the limited abilities of engineering scientists who continue to struggle with the very *interesting* and *challenging* task of fully automating industry; a view which contrasts sharply with the task of making the nature of work more interesting and challenging for the worker. Thus we might ask, to what extent does the worker function merely as a machine tool rather than the machine being a tool of the worker?

It is hardly surprising that, when we look closely at the relationship between employer and employee, we might wonder whether the days of the dark satanic mills have gone completely. In fact one could be forgiven for asking if the brighter and more comfortable surroundings of the modern work place merely divert attention from the very real issues of dominance and submission; issues older than wage labour itself.

Given that the primary if not exclusive goal of management of business corporations is to increase productivity whilst controlling cost, this cynical view has no small measure of credibility. The productivity drive has accelerated the historical progression toward fully automated production processes, to the extent that development of mechanisation and robotics has increased, whereas the need to understand the consciousness of the worker has almost been ignored. In general, the worker is excluded from the decision making process of industrial society: this has always been the case and there is no reason to believe that things will be different in the future. Despite the wealth of research literature on decision making and adaptation in business organisations, most seem to ignore the evidence that participatory structures are very effective models for the management of the worker.<sup>57</sup>

Yet management is, and will continue to be, of crucial importance in any process of change. This is so, not only in the social processes of industry, but also in society in general. Thus, one would expect that the training and education of managers would include or even focus upon the complexities of the worker as a person, as much as it has on the context in which the struggle to extract a surplus takes place.

To educate and train the managers of industry, is to take on the responsibility that goes with being a fundamental agent of change in both industry and society in general. Managers and the teachers of managers must endeavour to bring to bear upon their productive efforts, a commitment to respect the individuals who will work with them as subordinates; they must entertain the idea that in general the worker not only works to live but also lives to work.

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<sup>57</sup> For a useful overview of participatory structures in management, see the following - Blumberg P, 1968 *Industrial Democracy: The Sociology of Participation*, London. Also, Marrow A J, 1975 *Management by Participation, Man and Work in Society*, edited by L Cass & F G Zimmer, pp 33 - 48; and Kahn R L, 1975 *In Search of The Hawthorne Effect: Man and Work in Society* pp 49 - 63 in the same publication.

When we are asked who we are, we may reply by giving a name, but more often than not, we state who we are in functional terms; in general, we are what we do. We often reply to the inquirer by saying, for example, the plumber, the baker, the bank manager etc. Even though we may do many other things, it is our occupation that yields the descriptions of our personhood. Can we therefore expect managers to be conscious of their social responsibility and demonstrate a sensitivity to the moral consequences of management influence? Sadly, I think not. It is my charge that management consistently behave as though a functional statement of our identity entails a regard for workers as mere resources, but given that we do identify ourselves with *what we do*, are we being unreasonable if we expect the manager to treat the worker as anything more than a mere functionary? The answer to this may be found by analogy with Aristotle's view of the naturalness of slavery:

wherever there is the same wide discrepancy between two sets of human beings as there is between mind and body or between man and beast, then the inferior of the two sets, those whose condition is such that their function is the use of their bodies and nothing better can be expected of them, those, I say, are Slaves by nature. It is better for them ..... to be thus ruled and subject. (Aristotle: 33 - 34)<sup>58</sup>

His arguments from analogy do not prove the naturalness of slavery, but they express a powerful ideology which supports the view that there is a *natural order* of some sort among the human kind. This ideology comes in and out of fashion from time to time, but has never gone away, nor is there any prospect that it ever will. The relevance of this point to management is that management teaching and management practice gives grounds to suggest that with some exceptions, workers are regarded as *natural subordinates* and should be treated as such.

It is clear from the explorations of value changes and the relative importance of work in people's lives that if they are to be fully engaged in the endeavour of the

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<sup>58</sup> Aristotle, *The Politics*: Book I, ch 5, Translation by T.A. Sinclair.

business enterprise, they must be given more involvement in the design and redesign of their jobs, on an on-going basis.<sup>59</sup> In essence, this is a demand for recognition, which goes beyond being recognised as a mere resource. Consider the model of dominance and submission that I have constructed as central to this essay. If it is to be taken as credible, then I am bound to address the somewhat astonishing fact that not only are the demands for *recognition* not being met, but are being responded to by an application of that most crude psychology *behaviourism*. Firmly ensconced in some of the most modern management teaching one can find explicit examples of the application of Skinnerian psychology to the workplace, going far beyond the commonly applied combinations of rewards and punishments (or penalties) in various measures designed to generate increases in productivity.

Management have adopted many and varied strategies to convince the worker that the subordinate role is not really of a lower status. History has shown, however, that attempts to change the self consciousness of the worker arise not only from respect for the employee, but also from the notion that the employee might prove to be a more productive worker. However, strategies which seek only to afford *respect* in return for productivity advantages are founded upon insincerity and are doomed to fail, for two reasons, each insufficient in its own right. First, it is only a matter of time before the worker realises the insincerity inherent in the manager's endeavour (that is, to be seen to be affording respect), then the worker reacts in such a way as to confound what is merely manipulation. Second, when the economic realities of the business begin press upon the manager and to the extent that cost cutting measures are required, the respect which is afforded merely as a means of improving productivity will be subject to the same considerations as any other cost. Under such circumstances, the incorporation of respect for workers as persons will be considered as a *cost* and prone to cost cutting endeavours along with other costs. When viewed in the light of my development of Hegel's account of the self conscious subject, the *as if* approach to recruiting the sentiment of the worker in the pursuit of the corporate goals simply fails to meet the demands of

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<sup>59</sup> See White, 1981: pp 179 - 191.

recognition. The *as if* approaches can be viewed from two standpoints (although seldom will such a distinction be obvious in practice):

1. situational - where production methods are structured to secure goal alignment, and
2. psychological - where management techniques are utilized to shape the behaviour of the worker.

### ***Production Methods and Goal Alignment.***

Let us examine a management strategy, popular during the nineteen eighties, which aims not to directly change the hearts and minds of the workforce, but to take an indirect approach to get the workers to behave *as if* they shared the corporate goals. This is done by way of a change in the situational characteristics of the workplace. An example of this is the *Just in Time* (JIT) method of production.

In order to demonstrate the relevance of this important development in the management of the workplace, let me take some time to present an outline of the JIT method. The aim of JIT is to organise the manufacturing production process in such a way as to secure high volume output at the lowest unit cost. JIT is an operating principle which has as its basic objective the elimination of waste. We should not consider waste as simply reject or scrapped material. Waste is anything other than the minimum amount of equipment, materials, parts, space and workers' time necessary to add value to the product; and this principle leads to the popular management principle 'if it cannot be used now, then do not make it now'. This requires a profoundly different attitude to that which has prevailed in industry over centuries. JIT requires that the rate of production must be matched to the rate of sales, over as short a time period as possible. If sales, or despatches, occur daily, then the required quantity to be built should be calculated on a daily basis (known as the uniform plant load) and not averaged out over a week or month, as often happens. This is particularly significant with regard to sub-assemblies and components which are typically made in larger batch sizes, in advance of when they are needed in a non JIT environment. In this way, the

producer reduces 'work in progress' levels significantly and can enjoy the benefits of consequent cost reduction and a reduction in space required.

The exact quantity and uniform quality of raw materials, parts and sub-assemblies are produced and delivered just in time for the next stage of production. Time between materials intake and goods dispatch is kept to a minimum through arrangements that eliminate the build up of inventories and reduce the need for 'buffer stock'. Reorganisation of the factory layout is required to minimise the physical distance between the work stations and to prevent the accumulation of stocks, thus enabling the firm to economise on storage and materials handling costs.

The aims of JIT have implications for employees because to achieve them requires radical changes in the organisation of production. A company may invest in multi-purpose machinery which results in quick changes and allows the firm to produce the same end products every day. There is a uniform flow of production and uniform demand for parts and sub assemblies in all preceding processes. This flow of production is controlled by a *pull through* system of production scheduling, known as *KANBAN*. Each stage produces only the amount of parts necessary to complete the next production process.

JIT is a production control system but it also challenges traditional relationships with suppliers, work organisation and employment practices. It is associated with a distinctive set of working practices which underpin the central objective, which is the reduction of waste, including of course all inefficiently employed labour and machine capacity.

Contrast JIT with conventional mass production where maximum labour utilisation is achieved by horizontal division of labour and fragmentation of tasks. Jobs are task specific and employees perform a narrowly defined operation repetitively. Quality is tested separately and large buffer stocks are maintained to ensure the continuity of production. Stoppages tend to occur because of the rigidity of the system, e.g. if a machine breaks down production is stopped. JIT is intended to eliminate this wasted time by applying the principle of *no buffer stocks*

to labour utilisation: the working practices of JIT are intended to minimise the need for *buffer* personnel.

The main aspects of JIT are:-

- widely drawn job descriptions
- multi-machining
- relocation of certain indirect tasks to production workers, e.g routine maintenance, accountability for quality, etc.

Quality control is built into the system because with reduced buffer stocks any defective parts would bring production to a standstill. Production workers are responsible for detecting and resolving faults and so the company can save on indirect personnel whilst ensuring the maximum utilisation of the direct production workforce.

JIT demands worker flexibility - workers are required to do what is necessary to keep production going. The implication here is that employees are expected to move between activities as workload dictates rather than on the instruction of supervisors. Whilst this aspect of teamwork is extolled as some kind of virtuous activity, it must also be pointed out that with reduced buffer stocks workers are left with no option but to cooperate; to use their initiative, and not simply wait to be directed, to keep production going.

Effective JIT is dependent on more than changes to the factory layout. Companies will inevitably become involved in training or personnel programmes that entail more than a simple redefinition of job content; they must address the ability of the employee to perform such jobs. Management must develop the requisite employee relations, work environment and skills to secure a disciplined workforce, motivated at least to the extent that they do not inhibit the effective working of the system.

The introduction of JIT usually begins by addressing the problems of production and inventory planning. This leads to the wider issues of grading, supervision, and

payment systems. Changing from a functional or process based production style to JIT can entail grouping machines with different functions together to produce a series of product assembly lines. Components are tested at the end of the product line with supervisors now responsible for a product rather than a process. Multi-machine manning on new product lines can be achieved by reducing the number of basic grades of employees. Employees are expected to be conversant with a number of machine processes to cover for the reduced staffing. Responsibility for quality is assigned to individual employees working on a particular product line. JIT can also be implemented by a module system of production whereby separate testers, quality inspectors and assemblers are eliminated and transferred to the assembly department. Bought-out parts and in-house fabrications are built up in a series of modules that are delivered to final assembly just in time to complete the sales order intake.

In practice, there are many changes needed to a traditional factory environment in order to introduce the JIT principle. The reduced batch sizes and more frequent change over mean that it is essential to review the set up procedures so that the time taken (wasted, since no added value occurs) is kept to a minimum. This might mean redesign of the equipment and tooling or even redesign of the product itself. The more frequent change over of product type will almost certainly need a more flexible workforce who can perform a variety of tasks as and when required rather than repeating the same activity all day and every day.

If the full potential of JIT is to be achieved (i.e. buffer stocks and buffer personnel are reduced), management must still seek to secure employee cooperation and commitment. However, the implementation of JIT would leave the workforce no option but to cooperate in such a way that would present a superficial appearance of some kind of goal congruence: the goal of the worker and that of the employer would appear to be similar. A closer inspection would of course present a rather different picture; such a radical change in the situational characteristics of the workplace leaves the worker little or no room for anything else but to cooperate.

On the other hand, JIT itself might be enough to motivate the workforce: the new arrangements will enhance employees interest and involvement in their work, therefore increasing their motivation. However, it could also mean a more stressful arrangement with responsibility for quality being more of a burden than an enrichment to the job. Furthermore, the re-skilling is primarily intended to increase the utilisation of labour through multi-manning and similar practices and not to increase the intrinsic value of the work.

If the employer has faith in this method, the traditional forms of supervision will be removed and the new methods will be allowed to generate a so-called 'self disciplined' workforce. This would be a real test of this management method. There are clear grounds for believing that JIT will be applied in a way that requires the worker to be no more self disciplined than the prisoner who realises that his decision not to walk out of jail, is heavily influenced by his circumstances; he is locked in.

Does it matter if the worker shares the goals of the employing organisation? Well yes it does. JIT has credibility in so far as it appears to draw upon the worker's otherwise untapped desires to be creative, to be more than simply a part of a process. Because JIT is drawing upon this creative aspect of human nature it would require the worker to participate enthusiastically in the productive endeavour.

JIT is an interesting concept. It is a production technique which gives the worker the opportunity to get a real view and value for the products of his labour. It seems to recognise the creative nature of the human being and give the worker back some respect as a person and remove (to some extent) the view of the worker as an automaton. JIT seems to function as a production technique designed to relieve the monotony of dull, repetitive assembly line where only components or small contributions are made in a product cycle. If the worker is expected to participate 'as if' he shares the goals of the Company then JIT will fail. It will not draw upon this untapped creative resource, rather it will force a different production arrangement: a mere cosmetic change in the relationship between management, the worker and the product.

Companies introducing JIT are attempting to reshape employee attitudes and to develop a higher level of commitment by introducing this notion of team spirit, intended to generate enthusiasm and a sense of *ownership* of the process. Essentially, the objective remains the same as in all other management strategies; get the workers to (behave as if they) enthusiastically share the goals of the employing organisation, and if they do not want to, then shape their behaviour until they perform as if they do. A close inspection of methods such as JIT will show that the real attempt in JIT is to close down any opportunities that a worker might have for non-compliance. So, when the management discover that JIT in fact will not *itself* suffice as a means of goal alignment, there is one of two options open: jettison the method, or appeal to the workforce. And so we go round the routine again by looking for another method of production to fill the gap, or look to another method to apply to the manager's portfolio of tools to motivate the workforce.

Let me put the question again: does it matter if the worker shares the goals of the employing organisation? If this question is put to management, the answer will depend upon whether management control takes priority over all other corporate considerations. My view on this is that if the employee is managed in such a way that he behaves *as if* he shares the corporate goals, then this is ideal from the management point of view. They will have the ideal; the desired output, a compliant workforce and management control. In this situation, the legitimacy of management as a practice is beyond question - this legitimacy aspect is by far the most important of the priorities of management (it protects the species).

It is consistent with even the most modern management methods that it is ideal if the worker shares the goals of the employing organisation, but it is not necessary if the manager can implement a set of working practices that will circumscribe the choices that the worker has about how he carries out his tasks: working practices that will compel the worker to behave *as if* shares the goals of the employing organisation.

It is fundamental to management control that the Company does not rely upon the sentiment of the worker, despite the fact that almost all management

endeavour is to get the workers to behave or perform in a manner which would suggest to an observer that the worker seeks to achieve the employer's goals (and it is not contingent that they do so). Here we touch again upon a fundamental dilemma of the manager. If the manager finds the ideal method of managing people in a way that recruits their sentiment, that they actually share goals of the organisation, then the role of the manager becomes something radically different. One might say that there is no need for management at all. What would be required would be service and support staff to facilitate the requirements of the productive workers. If on the other hand the manager finds a way to get the workers to work *as if* they shared the Company goals, but they do not do so in reality, then as long as this method produced the goods to the same extent, the manager justifies his own existence whilst getting the same end result. The dilemma is this: management find the key to self motivation of the workforce, then they (management) become redundant; or, they do not find this key and continue to implement methodologies which fail through lack of commitment of the workers.

The reality of JIT from the point of view of motivation is that it is introduced to meet the demands of production and by design, it forces the alignment of the workers' goals with the corporate goals, but JIT fails in its own terms because it requires more than structural processes. It requires the manager to intervene in that he still has to address the requirement to motivate the workforce. The manipulative endeavour of introducing JIT has to be supplemented by further manipulative endeavours to motivate the workforce. JIT then fails as a substitute for self motivation, but given that the structure of JIT aims to bypass or eliminate the need for self-motivated workers, it fails also in terms of the demands of recognition in that the self conscious subject requires that recognition be given freely and not be given in an instrumental manner; a manner which may be characterised as simply manipulative.

Let me look at an example of intervention by management to motivate workers to supplement production methods. I aim to show that the *as if* does not address the real issues of motivation because it is inherently insincere. It is doomed to fail

because of the superficial nature of its objective (the *as if* treats people merely as a means and does not address the desire for recognition necessary to the self-conscious subject) and it cannot have any more sincere objective without risking the surrender of management control and hence management legitimacy.

### *Motivation and Goal Alignment*

To the situational approach (to goal alignment) of production methods such as JIT, there are the psychological approaches.<sup>60</sup>

A particularly interesting example advocated by the management theorists, who describe themselves as *of the behavioural school*, is behavioural modification (or conditioning). Here we find extensive application of stimulus response methods of manipulation (once popular in the psychology experiments of the past few decades) applied to the management of people in the workplace to secure the productivity advantages of getting the worker to behave in concert with the organisation.

To find a rather bold advocate of the *as if*, one need look no further than Paul Brown (1985), whose influence in management should not be underestimated. His book *Managing Behaviour on the Job*, is described by Brown as a practical guide for the working manager. Whilst his book is more of a course manual, and not so much an academic text, the most concerning aspect of his involvement in management has not been in the critical environment of the classroom. Instead, it has been as a paid consultant, lecturing at length to working managers, people who when they have paid for the consultancy, either act on the advice or not, but who seldom demand their money back if they feel that they have made a mistake. Brown's style is to use a variation on the case study method of management teaching, which for him, yields a lot of credibility with the working managers. In essence, his prescriptions seem to be a product of a view that it does not matter if the worker does not share the goals of the corporation, because he has a method

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<sup>60</sup> See my discussion on Motivation in the Introduction to this essay.

which will work to achieve the same effect if it is applied properly. The problem with this *as if* approach is that it relies upon a profoundly impoverished conception of human nature. Having made this charge, let me now qualify what I have said.

In the preface, Brown says that “The behavioural approach, which has made such a great contribution to the fields of education, parenting, mental retardation, and mental health, is now coming of age in the business world.” Brown acknowledges that not everyone will welcome this “innovation”, this attempt “to drag businessmen to an understanding of people and human behaviour”, yet he claims that his experience so far is that people have reacted with approval.

Many welcomed the approach as a confirmation of things they felt they had always known about people and how to manage them ..... Others were forced by their training in Management by Consequences to take a long, hard look at their basic management style ..... They were at first somewhat uncomfortable with a behaviourally oriented view of people. .... However, these men and women embraced what they themselves came to believe was a ‘better way’ of managing and influencing others. (Brown 1985: ix)

Brown’s claim to success sounds quite genuine. Furthermore, as a management training manual, the book appears quite impressive in the context of the training literature produced by employers. The structure of the book takes the form of descriptions of procedures, case studies, worksheets and various self teaching exercises. These are interspersed with charts, graphs and flow diagrams set in the context of very persuasive rhetoric in favour of the benefits to be had from the application of operant conditioning. A first glance at what Brown advocates in his book, suggests that he has a lot to offer the discipline of management in terms of methods and practices. A closer inspection reveals a somewhat different package. Let me explain.

Essentially Brown presents a method of managing people in the workplace which he calls “Management by Consequences” (MBC). This is described as a five step approach which can be used to improve the effectiveness of the employing

organisation and whilst these steps form a system, they are elements which can be used separately. For example, managers in manufacturing, sales and other manual tasks might all find that they use differing elements of MBC with varying degrees of ease, but the basic steps and principles apply at all levels of all organisations. The evidence for this is presented by Brown in the form of examples and case histories. The constituents of MBC are set out in the form of five steps: at the end of the last chapter, he gives a succinct statement of each step.<sup>61</sup>

The first step is *Pinpointing*. Brown tells us that this “says simply that successful leaders are specific and explicit in communicating job expectations to others”. They avoid what Brown refers to as labelling and along with their subordinates they pinpoint those behaviours to be used in achieving objectives and end results.

The second step is *Tracking*, which “emphasises that effective supervisors not only know and communicate what is expected, but how much. They understand the need for standards of performance and communicate these standards clearly. As with pinpointing, they are comfortable with involving employees in determining these standards. They realise that the majority of workers appreciate an opportunity to help determine what they do and how they will do it”.

Step three is *Analyzing*, which “ensures that a manager will not charge off to fix something that is broken. The best managers work efficiently. They determine the causes of a problem before making changes. They avoid making inferences and assumptions about the causes of behaviour. Good managers are not locked into one rigid view of why people behave as they do. They are willing to consider a number of possibilities. They understand that a wide variety of environmental factors can affect performance and attempt to determine the impact of each systematically.”

Step four focuses on *environmental changes*. The belief here is that “Changing the environment in some way to encourage changes in behaviour is something successful managers have always done. Effective leaders have a large repertoire of

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<sup>61</sup> Brown 1985: 138.

procedures for influencing others and are not tied to a single method that used once without success leaves them helpless.”

*Evaluating* is the fifth and last step; “evaluating the effectiveness of any procedure is crucial to success. Good managers know when they have succeeded, and deserve the credit. They also know when they have not been successful, but because they are not locked into a single solution, they can try again with another of a variety of change techniques”.

This is all very sound commonsense when sagaciously delivered by the experienced manager as words of advice to a more inexperienced colleague. But this is not the case with Brown. He is in the business of management training and he claims to be offering a *scientific* approach to managing behaviour in the workplace. The fundamental concern is that what is being presented is not scientific and is in fact, some dreadful philosophy masquerading as *scientific theory*. Furthermore, Brown’s practical guide to the working manager epitomises a drastic absence of a concept of morality, an absence which makes one despair for the moral behaviour of managers, those we know as the *captains of industry*.

Let me take each of the first three steps in turn and examine Brown’s MBC approach in some detail.

Pinpointing is a skill that helps managers translate their general concerns into specific measurable behaviours (Brown 1985: 23)

Pinpointing involves describing the behaviour of an employee in very specific terms rather than simply saying for example *John Smith produces very poor quality output*. What should be done at this step in the MBC process is identify the problem in more specific terms, such as the frequency of failure to produce the required levels of quality in the output. In fact, pinpointing involves not only a description of specific behaviour, but also quantifying the behaviour in some way. When properly applied to employees this step eliminates labelling, we would then say something like; *Smith produced sixty per cent of average output, yet had one hundred percent attendance for the past three months*.

Brown lists some of the words used as labels (lazy, negative, immature, stupid, careless, disruptive etc). Whilst labelling can give a general description of behaviour or job performance, according to Brown, it can not give an accurate picture. The consequence of labelling means that there is no way forward, we do not know from the labels just what concrete steps to take with the employee to rectify undesired behaviour. "Labels do not lead to solutions" (Brown 1985: 25).

Labels come from three main sources, says Brown. They arise from:

- the 'rumour mill' or from old appraisal forms.
- when a manager sees employees doing something they should not be doing.
- when a manager notices that employees are not doing something they should be doing.

Brown stresses that knowledge of the sources of labelling, in each case, can help avoid falling into the trap of making generalisations about unsatisfactory behaviour or job performance.

There is certainly some merit in advocating a management practice of being specific about employees' behaviour rather than making crude generalisations. Even if it does not help the employee rectify the behaviour, it can provide the employee with an greater understanding of the disapproval expressed by his management. However, it must be pointed out that there are many purposes for which labelling is useful. For example, when we wish to convey a thought or opinion, it is often useful to encapsulate the meaning in a single word or expression, thus labelling functions as a kind of shorthand. Take for example terms such as happy, sad, cheerful, satisfied, excited, depressed. Such terms are obviously useful to use in conversation so that points of interest for discussion are not lost. Whilst it is fair to say that labelling does not lend itself well to Brown's *scientific* approach to management, it is not a totally useless aspect of reporting behaviour as Brown claims; but I shall come back to this point in due course.

Let me summarise the essential points of the distinction between pinpointing and labelling. It looks to me as though it were a distinction which can be characterised in one or all of these ways:

- specific vs general (or rough and ready)
- accurate vs inaccurate
- reflective vs snap judgement
- impartial vs prejudiced

It is no wonder that Brown sees pinpointing as good and labelling as bad, but this is no more than a simple application of common sense. It seems to me that Brown is *theorising* the idea that pinpointing judgements are non-intentional, whereas labelling judgements are intentional (they impute character or motivation); thus, "Smith's machine breaks down 1.7 times per shift" is pinpointing, whereas "Smith is a careless sod" is labelling. The interesting point here is that Brown, via the theory of behaviourism seems to want to eliminate all judgement of intention, motive, character etc. Does he thereby forego all *explanation* of the behaviour pinpointed? I shall come back to answer this in my summary of Brown's views.

The next step in the MBC method is, "tracking the frequency of the pinpointed behaviour itself ..... or some product or output produced by the pinpointed behaviour" (Brown 1985: P37). In short, "tracking" is simply recording the observed behaviour in terms of frequency and any other quantifiable characteristics. This should present little or no problem, says Brown, "if a behaviour is pinpointed correctly". Brown does however point out that there is no requirement to keep surreptitious records on people, but he really does show an unwarranted faith in the judgement of management when it comes to "deciding whether it was appropriate to track some behaviour without the knowledge of the employee involved"; he says that "the only reason a working manager might measure a

behaviour without an individual's knowledge would be to see if the problem was really as serious as he or she anticipated". (Brown 1985: 42)<sup>62</sup>

Given that management is about observing the performance of workers as producers, why does Brown see the need for making a case for secret observation? Perhaps he is merely seeking to make managers more comfortable about the ethics of something they would do anyway.

Tracking does not seem to me to be independent of pinpointing. It is merely an amplification of the demands of pinpointing, which, I suppose, is merely a qualitative description of how far the behaviour described meets explicit standards.

Step three of MBC is "analysing", which is of course attempting to understand why a certain type of behaviour is occurring. Rather than a clear statement, Brown gives us a feel for what analysing is by way of what he refers to as case studies. He says that when people (workers) do not perform as expected the manager will often jump in and haphazardly begin to make changes, in the hope that something might work.

The manager may try to convince, cajole, counsel, coach, embarrass, threaten or frighten employees into changing their behaviour. But there is a better way. By using MBC you can objectively analyze and audit human performance systems. The results of these analyses and audits can often lead you directly to systematic changes in the environment (not in peoples hearts, souls or minds) that may produce improved work performance. (Brown 1985: 43).

The term "human performance systems" that we can objectively analyse does seem somewhat mysterious. I would suspect that he means by this a systematic approach to modifying workers behaviour. Perhaps more concerning to the reader is Brown's insistence upon being "scientific".

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<sup>62</sup> This is certainly not a satisfactory reason for secret observation since it can be used to justify secret observation on all occasions, thus undermining any basis of trust that may be possible in the workplace.

Analysing, like tracking, does not seem independent of pinpointing, but it does introduce an appropriate (as opposed to an inappropriate) language of description.

If we apply some common sense to this pile of jargon issued by Brown, we can sort it out as follows.

1. The adept manager will seek to describe the behaviour of employees in accordance with those requirements which most accurately represent the nature of what he is doing in the light of what he ought to be doing; this is a general requirement, of *pinpointing* and it is formulaic, empty of content.
2. This will be achieved by employing a terminology (scientific language) the terms of which are objective and not open to dispute (between manager and employee); this is what *analysing* amounts to.
3. The appropriate managerial language will permit the qualitative assessment of proper performance and the precise statement of standards to be reached; this is *tracking* (and I cannot see how it differs from evaluation).

Everything then depends upon the method of analysis employed. A sound analysis will *pinpoint* and not *label* the activities of employees. So far so good; it looks like common sense. The account looks plausible because it conjures up these contrasting scenarios:

- Scenario I

1. *Manager A to Employee a* "You are breaking too many eggs. You are a careless waster, sloppy in your work, sloppy in your appearance. Take your hands out of your pockets!"
2. *Employee a Manager A* "You do not understand my problems, I am not a sloppy person, I am having a hard time at home and its affecting my work."
3. *Manager A to Employee a* "I do not believe you. It is always you who ...."

As can be seen, this interview is going nowhere. Contrasted with this, we have :

- Scenario II

1. *Manager B to employee b* "You have broken 10 eggs out of 100 on this shift. But observation shows that some break as few as 2 eggs per hundred. The average number of eggs broken per employee / shift is 5. Why are you breaking so many eggs."
2. *Employee b to Manager B* "I am not sure; perhaps it is reason X or reason Y."
3. *Manager B to employee b* "I shall get the foreman to watch you carefully. Perhaps you need re-training, or maybe you will need to do something else. Come back tomorrow with an agreed improvement plan and we will review it and then monitor your performance."

What Brown is after is a language of description employing clear standards of appraisal which permit an accurate measure of present and future performance. Again, no complaint so far.

Brown's theory is that the step from manager A to manager B, is the step from folk-management to managerial science, and that there is a scientific explanation of why manager B is better at his job. An explanation in terms of management theory which permits accurate description, appraisal and prescription. Teach this theory to managers and they will improve. *What is the theory? Answer - Simple-minded behaviourism.*

If the business of management is about obtaining the best use of resources, including human resources, then Brown would do better to acknowledge not only the positive / normative distinction in matters theoretical, but also the difference between case studies and anecdotes. Brown seldom uses the case study method,

but he seems to think he is doing so.<sup>63</sup> He continually draws upon little stories and sketches to validate his claims to understand behaviour and its analysis. This is a serious flaw in management theorising in general, and in the particular case of Brown's book, it undermines his credibility as a student of human behaviour.<sup>64</sup>

Whilst advocating a scientific approach to management, Brown launches into another of his case studies. Again this is done with a flair for anecdotal style, under the heading of "Some Managerial Hypotheses". Brown considers the case of a traffic control policeman's behaviour in "downtown Pittsburgh" as captured by a television crew filming a television programme called *Candid Camera*. This case study is cited by Brown in order to illustrate how we can come to understand why people behave as they do. Let me quote at length in order to draw out some very interesting points.<sup>65</sup>

The traffic officer is not merely standing quietly giving the standard hand signals, the behavior we are accustomed to seeing at intersections. Instead, when a motorist begins to inch forward in spite of a red signal, the officer adopts the stern

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<sup>63</sup> The case study method in management education is worth noting. Case studies are often presented as evidence of 'best practice', and as such they are used as the basis of inductions. But as evidence they are much weaker than statistical data. If, on the other hand they were functioning as philosophical examples, clarifying theoretical points by addressing practical applications, they do not need to be true, and in most cases they are quite illustrative but also false. It is notable that Brown employs an anecdotal style of case study to serve as examples to support points in the way of inductive (evidential) support, and Brown's very questionable use of the case study method is prevalent in management education generally and does indeed confuse evidential support and clarification (or illustration).

<sup>64</sup> Among the number of problems involved in the case study method is that too great a leap of faith is required to accept that a general principle can be drawn from (or founded upon) a few cases. Furthermore, the case study tends to produce a normative output of the form, *The best Ys are achieved by doing X*, whilst its proponents in management theorising are seeing credit for this very different output, *If you want to achieve Y then do X*

<sup>65</sup> All quotes regarding the Traffic Policeman example are in Brown 1985: pp 44 -45.

expression of a parent disciplining a child, and with one hand on his hip he uses the other to shake a scolding finger at the motorist. The policeman gets his message across.

In describing this behaviour, Brown stresses that this policeman is unique in his method of conveying his meaning to the motorist. He goes on:

When another car moves too slowly, the officer places his hands against his nodding head and pretends that he is falling asleep from boredom. Should a motorist appear upset at the heavy traffic, the officer takes up an imaginary violin and imitates a musician playing a soothing melody. And when motorists move swiftly across the the intersection, they do so to wild applause from the officer. However, if a pedestrian moves too slowly, the officer clasps his hands together as if in prayer and beseeches them to cross the street more quickly. Occasionally he takes a pedestrian's arm and has a brief conversation with that person as he escorts him or her to the other side of the intersection. Throughout all of this activity the officer punctuates his antics with hops, skips, jumps, and exaggerated facial expressions.

At this stage, Brown requires that his reader make some kind of attempt to complete the following: "In my opinion the police officer behaved the way he did because ....." "

Some Reasons Given to Explain Why the Police Officer Behaves  
as He Does:

The officer .....

Enjoys his work.	Gets attention.
Is happy.	Is effective.
Is creative.	Is trained.
Is bored.	Gets paid.
Is an extrovert.	
Is unhappy.	
Is self-actualized.	
Has personality.	
Likes people.	
Is insecure about people.	
Is motivated.	
Has a good attitude.	
Has a bad attitude.	
Has ego needs.	
Has drive.	

Some explanations are poor - those on the left, given by managers. Some are acceptable - those on the right, given by Brown. The difference in principle between the lists is "logical" says Brown.

What differentiates the list on the left from that on the right says Brown is that those on the left suggest causes of human behaviour "that tend to be from inner or internal forces" which are "subjective" by which he means they are not the products of direct observation.

You can only infer or assume that these causes exist; you have no means of verifying that the statements on the left truly represent the causes of human behavior. You could of course, ask the police officer whether he was bored, happy, motivated, and so on, but his verbal report might or might not be reliable. Sometimes people don't fully understand their own internal feelings.

Only the list on the right of course contains the possible reasons because these are "outer or external" statements and concerned with real events, says Brown, thus no inference or assumptions need be made. He tells us that to establish real reasons, we can "simply observe and conduct experiments to determine whether they are, in fact, affecting behaviour"

What is wrong with the terms on the left? Well, he tells us that we have no means of verifying that the statements such as "enjoys his work" or "is motivated" truly represent causes of the policeman's behaviour, we have to rely on inference or assumptions. But must I rely on inference or assumption when I simply ask the policemen? I think not. At least no more so than accepting the terms on the right, such as "is trained".

It looks as though Brown is trying to appeal to some distorted ideal or notion of 'scientific'. He is trying to eliminate the 'subjective' or 'inner' statements by reducing them to statements of observable behaviour. He attempts to persuade his readers that the reasons on the left (above) represent assumptions about the internal states of the policeman whilst those on the right are the external, observable and consequently measurable causes of behaviour. Just as the scientist uses more fundamental terms for our everyday references (what we call 'water' the scientist calls 'H<sub>2</sub>O') what Brown is purporting to do is eliminate the list on the left by reducing them to the more fundamental terms listed on the right. This is an attempt at scientific reduction and it fails. To say that the policeman "gets attention" is not to explain the causes of his behaviour in any more fundamental terms than, for example, "enjoys his work", nor is there any difference in terms of the extent to which these are measurable. To say that the policeman "is trained", is really quite uninformative in this context.

Because a term may be described as subjective does not imply that it cannot be understood. Such terms are not simply referring to inner processes. On the contrary, we understand them because they describe behaviour; they are very useful *labels*.

To get a grasp of what Brown is up to, consider this series of questions and answers.

Q(A) What is that policeman doing?

Ans. He is directing traffic (the whole story above)

Q(B) Why is he doing that?

Ans. His boss told him to.

Q(C) Why is he doing what his boss told him to do?

Ans. He is well trained, he gets paid to do so.

Q(D) Why is he doing it like that?

Ans. It gets him attention.

It is effective.

He is an expert.

He likes people.

With this in mind, it looks like the reason Brown and his management students differ is that, for the most part, they take themselves to be answering a question which the proffered question obscures. Whilst the managers read the question as type (D), Brown reads the question as type (C) or (D). Note that none of Brown's answers if taken as answers to question type (D) can be assessed true or false without recourse to the policeman's motivations. Of course gets attention, but would he act that way even if he didn't? This is a different question from Brown's; it is one of a set of questions which the ambiguity of the proffered

question obscures. Sure he gets paid, but so does his colleague down the road and his way of working is different. Yes he was no doubt trained, but not to do that.

Let me assess Brown in terms of a distinction between, on the one hand, philosophical behaviourism and, on the other, behaviourism as a method in psychology.

What Brown says about verification suggests that he takes the view of *philosophical behaviourism* as thesis about the meaning of mental terms; that mental terms are understood in terms of the behaviour of the people they are ascribed to - thus, "he feels an itch" means "he is disposed to scratch". On this account, the terms in the left hand column would be perfectly acceptable to the behaviourist, in principle. For to say "he is an extrovert" just means, inter alia, "if he were a policeman on traffic duty, he would be disposed to jump about etc" (some of the suggested descriptions would of course be self evidently false - for example, "he is bored").

Considering behaviourism as a methodology in psychology, I would suggest that this is really where Brown is working. I suspect that Brown's point is really that terms used in management theory to explain behaviour should be operationally defined - something like "objective" on his account. Thus, his objection to the terms on the left hand side would be that there is no scientific operational account to be given of them since (contra philosophical behaviourism) they refer in part to mental states.

At this point we can begin to see that Brown seems to believe that *management science* is a part of psychology, and that behaviourism is the best way to proceed in psychology.<sup>66</sup> In any event, it is obvious that the psychologist who does use this methodology is precluded from understanding much of human behaviour. So the question must be asked, is the behaviourist methodology suited to explaining what other people do at work?

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<sup>66</sup> To counter this claim, I have cited below my concerns that behaviourism as a theory is not testable, and to reinforce this point, I have drawn upon the criticism of B F Skinner by Chomsky (1964).

Brown might well discount this global behaviourism, saying simply that this is the best framework for understanding human beings *at work*. After all, there are clear analogies between reward (pay) and punishment (suspension, demotion etc) and positive and negative reinforcement. His conclusion then would be that the best way to manage people is to treat them *as if* they are the subjects of a behaviourist theory of behaviour. Lots of things may be going on in their heads which are *not* suitable to this kind of treatment but these things are not central to the management of employees' responses.

So we go back to the drawing board. What conception of *man at work* does Brown employ, and what is he assuming of human nature (with reference to labour) which makes this behaviouristic model suitable? The answer is perhaps two things:

1. that man is fundamentally egotistical (at work).
2. That workers are susceptible in virtue of psychological behaviourism, to training and reinforcement.

Are these the best working assumptions for managers to employ? I think not, and I shall try to show this.

Brown's persuasive rhetoric also aims at a sense of righteousness. For example, he defines 'operant conditioning' as "learning that is affected by the consequences of behaviour" and gives many examples from his case studies to show how both the worker and the employer were 'better' due to the correct application of Management by Consequences: a technique which, he says, focuses on the individual in the organization and epitomizes respect for that individual and much more "This approach helps organizations create environments in which good can flourish"<sup>67</sup>

From MBC we get learning, flourishing goodness and respect for the individual; all this and increased productivity. What more could we want? Perhaps an ex-

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<sup>67</sup> (Brown 1985: 8).

planation of why we so often see poorly run organisations and ineffective managers. One has to look no further than the next page where this question is posed. The answer, however, is crystal clear: “organizations and managers inadvertently reward poor performance and punish good performance” (Brown, 1985: 8). Brown believes that often, we are actually using behaviourism in our attempts to influence others quite by chance: we are actually using this “operant conditioning” without realising it. When we are not aware of using the behaviourist influence techniques, Brown believes that sometimes we get it right but other times we get it wrong by rewarding poor performance. But when we get it right and think we know why, unless we think it is due to operant conditioning, then we just do not know what we are doing.

Whether they know it or not, effective people managers are applying laws of human behaviour that work. Management by Consequences is based on the direct observation of what works and why in terms of the natural laws of human behaviour. (Brown 1985: 3)

Brown does not spell out what these natural laws of human behaviour are, except to imply that rewards reinforce all types of behaviour and punishment discourages all types of behaviour. Quite apart from this astoundingly bold yet uninformative belief, the reader is given no indication that Brown can state clearly just what he understands a *law to be*, let alone a natural law. This painful omission in his book does not inhibit the continual reference to the scientific status of MBC. For example, he says that economists have proposed many theories to explain the declining hourly output of goods and services per worker in the United States of America; these range from a decrease in research and development spending to diminishing returns from technological advances. Brown’s response is of course predictably forthright.

Although many grandiose hypotheses may be considered to explain productivity declines, one hypothesis certainly deserves consideration: Perhaps hundreds of thousands of employees are doing slightly less each hour of every working day ..... And while some focus on macrotheories and macrocauses, the Management by Consequences approach focuses on the individual employee

.... The proper use of the basic science of human behaviour, which is the core of MBC, has led to literally hundreds of examples of productivity improvement.  
(Brown 1985: 12)

The answer is there facing us all of the time. It seems we were just rewarding poor performance. But is it not a weakness of this approach to management that it concentrates upon one aspect of the production process to the exclusion of all others? Notice that Brown's question is a macro question, and his answer that every worker is putting in a little less effort is certainly false. The real answer is likely to be a mix of the "grandiose hypotheses" and perhaps something of what Brown says, and depreciation of capital together with a lack of re-investment (which he does not mention). All of these look likely to be important, but research and development, which he does mention is directed to improvements in productivity, not keeping it constant. Brown shows that if nothing else will help the manager, then MBC is a splendid model for those who seek other people to blame for their faults.

With behaviourism there is no room for dispute; the theory can never be in question, only the skill of the practitioner. But Brown is not alone. It has become fashionable in management literature to write about the merits of behaviourism.<sup>68</sup> Kerr uses case studies to "understand and explain" the very many examples of "reward systems that are fouled up in that behaviours which are rewarded are those which the rewarder is trying to discourage." (Kerr 1975: 769) The title of his paper indicates fairly accurately the unquestioning nature of its behaviourist content.

He tells us that "managers who complain that their workers are not motivated might do well to consider the possibility that they have installed reward systems which are paying off for behaviours other than those they are seeking." (Kerr

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<sup>68</sup> For example, see the paper by Kerr, S. 1975, *On the Folly of Rewarding A, Whilst Hoping for B*, Academy of Management Journal, Vol 18, No 4, 1975, pp 769 - 783.

1975: 768) This is an example of the belief in the infallibility of behaviourism: if behaviourism is not working for you, then are not doing it right.

Kerr closes his paper with a morally disconcerting statement:

By altering the reward system the organization escapes the necessity of selecting only desirable people or of trying to alter undesirable ones. (Kerr 1975: 783)

He continues with what he calls a *Skinnerian* quotation from G E Swanson (1972) which is quite morally perverse:

As for responsibility and goodness - as commonly defined - no one would want or need them. They refer to a man's behaving well despite the absence of positive reinforcement that is obviously sufficient to explain it. When such reinforcement exists, "no one needs goodness."<sup>69</sup>

My concern at this point is not with the obvious moral outrageousness of this paper; rather, I refer to it to cite another example of Brown's endeavour. We have in this behaviourist management school, advocates of right and wrong behaviour and they beg the question of standards: where is the standard of wrong behaviour? The answer is in the efficiency of the behaviour, or the desired response to the administrator of rewards. But the fundamental issue here is that the system of rewards is independent of the recipient; this in turn leads to two problems that collapse into one. On the one hand, even if the system of rewards was correct, there is no requirement of the recipient to understand what is going on, and on the other, there is no way to judge if the system of rewards is wrong, independently of the theory.

The consequence of this is that the behaviourists can, with a certain degree of arrogance, argue that the theory is never proved wrong. If behaviourism is not working for you, then you either have the wrong rewards or you are rewarding the

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<sup>69</sup> Quoted from Swanson G E, 1972 *Review Symposium: Beyond freedom and Dignity American Journal of Sociology*, Vol 78 pp 702 - 705.

wrong behaviour. In other words, you are not doing it properly. The problem this brings is that the theory is just not testable.

We can of course ask what a reward consists of, independent of the theory. If, as the behaviourists imply, a reward is any action that reinforces behaviour, then it is tautological. We have no measure of reinforcement other than repetitions of the same task.<sup>70</sup>

Chomsky's criticisms of Skinner's work are set in the context of a *functional analysis* of verbal behaviour; this is an analysis consisting of identification of the variables that control verbal behaviour along with a specification of how these variables interact to determine a particular verbal response. It is a profound criticism in that it addresses the glaring weaknesses of behaviourism in general, and not just in the verbal arena.

Skinner's general framework for analysing behaviour divides 'responses' into two main categories. 'Respondents', which are reflex responses elicited by particular stimuli, and 'operants', which are emitted responses, for which no obvious stimulus can be discovered. Since Skinner's concern has primarily been with operant behaviour, it is worth outlining his experimental arrangement in order to fully appreciate the audacity of attempts to apply Skinner's notions of scientific research to human beings and higher animals.

Typically, Skinner uses a box which has on one wall a lever which, when pressed, will allow a food pellet to be dropped into a tray. Each press of the lever is recorded. He places a rat in the box and after a period of time the rat presses the lever, thus receiving some food. Eventually, after some presses, the receipt of the food pellet increases the strength of the bar pressing operant. The food pellet becomes a reinforcer and the strength of the operant is defined by Skinner in terms of the rate of response during extinction: this is the rate worked out from after the

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<sup>70</sup> For a very clear elaboration of these criticisms one need look no further than Chomsky's paper *A Review of B F Skinner's Verbal Behaviour in The Structure of Language, Readings in the Philosophy of Language*, J A Fodor / J J Katz, Prentice-Hall, 1964, pp 547 - 578.

last reinforcement and before the return to the original (or pre-conditioning) rate. Skinner then introduces such things as flashing lights etc in conditional form, so that after a while the rat's response becomes shaped to the frequency or occurrence of the flashing light. In this way, the rat can discriminate between stimuli, thus Skinner can derive, or establish the notions of 'discriminated operant', 'response differentiation' and secondary reinforcers'. Very complex behaviours can eventually be introduced by a play on these techniques, but more importantly, Skinner uses these as an extension of his scientific vocabulary (stimulus, response and reinforcement).

These terms vary in scope, not only within the extensive literature produced by Skinner, but also amongst his followers, from the early days to the present. In Brown (1985), the Skinnerian terms are sufficiently broad in scope to allow any physical event to which an operant reacts, to be called a stimulus. We may ask then, which if any part of the behaviour do we call a response? Brown seems to indicate an acceptance of a very broad definition of stimulus and response, and this creates a problem for him in so far as he undermines his claim to be representing 'laws of human behaviour'. If on the other hand he advocates narrower definitions of these notions, then behaviour is lawful by definition and Brown will have to limit his scope of inquiry to the experimental situation of lever pressing rats.

What is obvious in both Skinner and Brown is a spurious use and extension of experimental results to create the illusion of a scientific status for their inquiries, whilst demonstrating the broadest possible scope of application of their 'theories'. Chomsky charges Skinner with a "metamorphic extension of the technical vocabulary of the laboratory" which he says:

creates an illusion of a scientific theory with a very broad scope, although in fact the terms used in the description of real life and of laboratory behaviour may be mere homonyms, with at most a vague similarity of meaning. (Chomsky 1964: 552)

Although in academic circles behaviourism is generally considered to be unworthy of further analysis and criticism, it is taken very seriously in the business world as an effective method of managing people. Now this is, in itself, a concern. If the application of Skinnerian psychology to human beings is considered to have been thoroughly discredited in the academic sphere, the question remains as to why it is so popular in business management. Wherein lies the source of the popularity of this crude view of human nature as reward orientated and unconcerned with higher values?

It is worth noting that it is easy to present and seems easy to understand; it tells the manager that people can be controlled if their true nature as reward orientated beings is properly understood. Careful selection of examples can be utilised to support this account of human nature, and when couched in the scientific "stimulus-response" jargon of behaviourism and operant conditioning, it can seem impressive. This sort of theory is presented in a way that appeals to what the manager might want to believe (i.e. that given the right S-R techniques, the manager can be in complete control, people can be effectively managed). The proponents of this view are in a fairly secure position so long as the assumptions are not challenged. If the theory does not seem to work for a particular manager, then he is not practising it properly: for example, he has failed to identify the appropriate reward or punishment.

However, as I have indicated above in my criticism of Brown, the advocate of this management school might respond to the above by showing that, whilst behaviourism might not work in all areas of the entirety of human life, 'work' is fundamentally different in as much as the worker is only working for reward in the first place. Thus, the workplace is the theatre of reward and punishment; for the duration of each performance the worker is willing to behave as if his true nature is that of a reward orientated being. When the employee provides a good day's work for a good day's pay, both the worker and the employer are happy; and since this is the predicted outcome of the behavioural approach of management to this unique sphere of life, then as a manager I can conclude that behaviourism functions well in the workplace and it is not contingent that it does so.

A counter to the above response of behaviourism is that the conception of the workplace as the theatre of reward and punishment is fundamentally mistaken. The workplace takes many different forms and whatever else a workplace is, it is also a social environment within which the worker is present for a significant portion of his life: it is therefore subject to the influences that might pervade any social process: influences such as, position, status, friendship, enmity, envy, greed and gratitude. All of these influences are external to the theory and would be likely to confound its practice. But the reader should note that in so far as the application of behaviourism to management techniques is prone to criticism, it is so, not only because the theory is false, but also because it is spurious and the uncritical acceptance of a spurious theory forecloses the possibility of other theories that are better.

Furthermore, it is wrong to base any theory of human resource management on an impoverished conception of human nature. At the level of assumptions, the behaviourism in management implicitly denies that individuals have the capacity to order their desires. Thus the human being is depicted as no more than a slave of the passions, with no capacity for self control, and no other source of motivation to work than the expected reward.

The popularity and practice of behaviourism in management shows that its opponents have in fact failed to thoroughly discredit the Skinnerian view of human nature; or if they have done so in academic debate, then they have failed to attend to its pervasiveness in the conditions of social existence. Perhaps in academia the Skinnerian view is not considered worthy of further attention, but given that it is alive and kicking in the working lives of citizens, the onus is on philosophers to broaden their view and give some attention to the consequences of its practice. Any denial of self control requires the student of human nature and society to show the source and importance of self control as a fundamental moral characteristic of human beings.

Whatever else I am, my occupation is what I am, but it does not *own* me. When seek an understanding of why workers seldom share the goals of the employing organisation, we can look closely at the manipulative nature of the relationships

between workers and employers to throw some light on the matter. A more rich and deeper understanding can be gained if we look closely at the demands of the self conscious subject.

The application of a new management technique, often results in a marked increase in productivity, or a desirable response from the workforce. This may well be viewed as evidence in support of the implementation of that particular theory, but the very act of change itself can generate a response which conforms to that required or expected by management. In any case, if the response meets with the approval of the management, the theory is claimed to be valid and its practice justified. But this of course begs the question: if a management theory works when put into practice, why are theories superseded by new or more popular ones? Perhaps it is to gain even more productivity than that yielded by the previous theory. Whilst this may be the claim, it is difficult to imagine that each new theory can yield increases upon those yielded by the previous theory ad infinitum. It is more often the case that after the initial desirable responses, the effects of the new management methods diminish. However, the question still remains as to why a new management practice that works for some of the time does not work for all of the time.

We might explain the diminishing effects of the theory in terms of the naivety of the worker. A theory is effective in the initial stages because the workers are naive and do not see the new practice as manipulative. Now whilst this may be true for some of the workers, some of the time, it will not do as an adequate explanation. It is more likely that until the worker can grasp the practice and intention, the best way to respond is to participate with enough enthusiasm to give the new situation a real try. Then if it works, both the worker and the manager have developed their working relationship a stage further. They now have new postures and stakes that can be brought to bear in their working relationship. In other words, as soon as the implications of the new working practice is apparent to each of the parties, another phase in a relationship of manipulation commences.

The reality of the relationship that exists between the manager and the worker, is a continual struggle where strategies of manipulation and the emergent tactics form the creative component in the lot of the modern worker. It is not just management who are manipulative. It is also the worker. So whilst management look to methodologies of various kinds, the management mind closes down opportunities to better understand the nature of work and the worker.

The power and influence of corporations is not new, but the effects of corporate influence is becoming more obvious. The trend in the literature on the subject of management is steadily moving away from how a manager uses his personal influence to do his job and is focusing more on a uniform approach, consistent with corporate standards of business control. However, no management theory has yet been developed and implemented and proved enduringly successful. Management is looking ever more closely at the nature of the corporation to seek an explanation of why management theories and practices become redundant. I argue that we should look not to the notions of corporate personality to explain the peculiar phenomena which emerge in industrial relationships. Look instead to the development of the consciousness manager and worker.

If my charge of emptiness of the concept of self which underpins the management thinking in industrial society is valid, then one can be nothing but pessimistic about the future of organised labour and the ability of managers to work with their subordinates. More importantly, if my thesis about the development of consciousness is valid, then there can be no way out of the manipulative struggle of dominance and submission in the workplace. What would be required of a manager is that he be wise. Wisdom is then a necessary attribute of a manager.

Wisdom might provide the insight into the worker as a self conscious subject, and at the same time recognise the worker as a person and not simply a human resource. Wisdom will also enable an insight into the distinction between getting the worker to behave *as if* the goals of the organisation were his own, and actually sharing those goals. In other words, a distinction between treating people as ends as well as means. Manager as controller is a redundant function if employees share the corporate goals or identify with them. On the other hand, manager as

sage might have a value, not particularly as a motivator, but as director of self motivated, self regarding workers.

This thesis has argued that corporations are big motivational devices and resemble persons only to the extent that we intuitively talk about them and relate to them in language and attitudes we normally ascribe to other humans. This intuitive reference to corporations as people does not dilute or confuse the moral status and moral responsibility of each person who works for the corporation. Nor does it confer any moral status to the corporation when we pass judgement or morally condemn actions done in its name. I have challenged the very idea of ascribing moral personhood to corporations as a mistaken endeavour on the part of management theorists who have lost their sense of direction in their studies of the manager and worker relationship.

Understanding the manager/worker relationship can only be fruitfully undertaken if one understands the demands of the worker as a self conscious being. A being who requires recognition of his self not as merely a means: This understanding will not be complete without a grasp of the patterns of domination and submission which characterises the developing consciousness in the formative activity of work. Work is, in this sense, the fundamental form of self expression insofar as it not only provides a context to exhibit the self one wants to be seen as, but it is also the activity which develops the very consciousness of one's self.

This analysis of the manager/worker relationship has presented a scenario of unceasing patterns of domination and submission and it also yields a framework for a better understanding of the nature of the corporation as the context within which the activity of work takes place. I conclude with the remark that the workplace is not simply the theatre of reward and punishment, rather, it is *the theatre*.

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