

Perspective: Management Philosophy

Enigma

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These observations deal with some of the variations and implications associated with the term, *management philosophy*. Any list of ambiguous words bandied about in management literature would certainly include this as one. It has been used variously to refer to a theory, a goal, a technique, a way of life with certain implied values, or a public relations gambit.

Semantic perplexity is one of the characteristics of the current stage of development in management thought. Urwick, for example, pointed out no less than twenty vague definitions for the term *management* itself in arguing for a standard glossary of terms.¹ Semantic explicitness transcends etymological considerations. Koontz acknowledged this as a corollary to the disentanglement of the "jungle."²

MANAGEMENT PHILOSOPHY: WHAT IS IT?

The literature presents a potpourri of articles purporting to deal with *management philosophy*. Several different themes seem to prevail as one studies articles dealing with this subject.

The Literature as a Point of Reference

Although one of the first books to appear in management literature was *The Philosophy of Management* by Oliver Sheldon,³ the "pioneer" authors typically did not deal with philosophy in so many words. Rather, they tended to focus on technique and function and in so doing championed an approach or set of principles which was a reflection of their "philosophy." Scientific management and hints at human relations are indicative of such "philosophies."

Later, the authors begin to point to the need for a philosophy of management and then not infrequently to enumerate its components, for example, R. C. Davis:

. . . A business philosophy is a system of thought that explains basic business problems and supplies the basis for an intelligent approach to their solution. The philosophy of management is obviously the philosophy of business. . .⁴

¹ L. F. Urwick, "The Problem of Management Semantics," *California Management Review*, Vol. 2, No. 3 (September, 1960), pp. 77-83.

² Harold Koontz, "The Management Theory Jungle," *Journal of The Academy of Management*, Vol. 4, No. 3 (December, 1961), pp. 174-188.

³ Oliver Sheldon, *The Philosophy of Management* (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1923), pp. 27-30.

⁴ R. C. Davis, *The Fundamentals of Top Management* (New York: Harper and Brothers, 1951), pp. 6-7.

Later, in an article enumerating the basis of a management philosophy, Davis defined it as:

... a body of related knowledge that supplies a logic for effective thinking for solution of certain kinds of problems.⁵

Max S. Wortman presented a somewhat more involved definition in 1958:

... a philosophic discipline which is the systematic study of the nature of management, especially methods, its concepts, and presuppositions, and its place in the general scheme of intellectual disciplines.⁶

Marshall Dimock identified administration as a philosophy of integration and blending of everything that is important.⁷

Several authors raise moral and ethical questions in proposing a *managerial philosophy*.⁸ Here such dangers are posited as self-righteousness, cynicism, perfectionism, compromise, control of truth, and responsibility for errors.

Some writers provide what they consider to be the basis for management philosophies.⁹ Good employee relations, right of private property, collective bargaining and the like are listed as necessary foundations. Manley Jones argued that unconscious thoughts make up one's philosophy.

Still others merely present their own personal working philosophy.¹⁰ Dignity and worth of the individual personality are offered as essential to sound operating philosophies usually.

Occasionally, the call comes forth for managers to re-examine their own philosophy in light of changes that have taken place which affect the corporation.¹¹ Along these lines, most recently Thomas A. Petit argues for a "social responsibility ethic."¹² This doctrine is suggested to replace the profit ethic and holds that managers must take into account the welfare of all groups in society (worker,

⁵ R. C. Davis, "Philosophy of Management," *Advanced Management*, Vol. 24, No. 4 (April, 1959), pp. 5-6.

⁶ Max S. Wortman, Jr., "A Philosophy of Management," *Advanced Management*, Vol. 26, No. 10 (October, 1961), pp. 11-15.

⁷ Marshall Dimock, *A Philosophy of Administration: Toward Creative Growth* (New York: Harper and Brothers, 1958).

⁸ See Benjamin Selekm, *A Moral Philosophy of Management* (New York: McGraw-Hill Book Co., 1959); L. W. Norris, "Moral Hazards of American Executives," *Harvard Business Review*, Vol. 38, No. 5 (September-October, 1960), pp. 72-80; A. M. Sullivan, "Moral Responsibility of Management," *Advanced-Management-Office Executive* (April, 1963), pp. 7-10; Hurst R. Anderson, "Ethical Values in Administration," *Personnel Administration*, Vol. XVII, No. 1 (January, 1954), pp. 1-12; John F. Mee, "Management Philosophy for Professional Executives," *Business Horizons* (December, 1956), pp. 5-11.

⁹ Manley Jones, "Evolving a Philosophy of Management," *Journal of the Academy of Management*, Vol. 3, No. 2 (August, 1960); L. E. Newman, "Some Philosophies of Management," *Advanced Management* (February, 1959), pp. 6-8.

¹⁰ Wade Fetzer, Jr., "A Philosophy of Management," *Office Executive*, Vol. 33, No. 8 (August, 1948), pp. 14-15.

¹¹ A. O. Ohman, "Search for Managerial Philosophy," *Harvard Business Review*, Vol. 35, No. 5 (September-October, 1957), pp. 41-51.

¹² Thomas A. Petit, "The Doctrine of Socially Responsible Management," *Arizona Review* (Division of Economic and Business Research, University of Arizona, Tucson). Series of three articles in November and December 1965 and January 1966 issues.

consumer, supplier, dealer, community, and government as well as stockholders) affected by the corporation in conducting its affairs.

One of the earliest truly philosophical approaches to management was that of Chester I. Barnard:

. . . It is precisely the function of the executive to facilitate the synthesis in concrete action of contradictory forces . . . [determinism and free will] . . . to reconcile conflicting forces, instincts, interests, conditions, positions, and ideals.¹³

Carl F. Stover presented one of the more analytical approaches.¹⁴ He first set out a definition of philosophy to include a system of ideas which does three things:

1. defines what is true;
2. determines what questions are important to ask and rules out others (natural law, casuistic, utilitarian);
3. description of a set of values.

Using this schema, he then pointed out the importance that answers to these basic questions have on a manager's approach.

Someone outside the "mainstream" of management was the first to attempt to relate philosophy in a classical sense to management. A. R. Leys, a political scientist, wrote *Ethics for Policy Decision* in 1952.¹⁵ The first portion of this book is devoted to an examination of the questions posed by philosophical schools (Utilitarianism, Casuistic, Stoicism). The second portion applied these questions to case examples of policy-making problems in business and government.

The Companies as a Point of Reference

When the managers of companies turn their attention to defining the purpose of their organization and setting down moral and ethical principles to guide their actions, a "company philosophy" or "creed" emerges. These guiding documents are referred to in a variety of ways: Basic Objectives; Our Basic Policy; Fundamental Principles; The Credo by Which We Serve; What We Are Aiming For; and more simply, Policies.¹⁶ On occasion, companies are identified and associated with a particular "philosophy." General Electric has been noted for what has been called its philosophy of decentralization. Similarly, centralized policy and decentralized administration are characterized of the General Motors philosophy of management.

PHILOSOPHY ITSELF AS A POINT OF REFERENCE

A look at philosophy and its various subdivisions will provide a frame of

¹³ Chester I. Barnard, *Functions of the Executive* (Cambridge: Harvard University Press, 1938), p. 21.

¹⁴ Carl F. Stover, "Changing Patterns in the Philosophy of Management," *Public Administration Review*, Vol. 18, No. 1 (Winter, 1958), pp. 21-27.

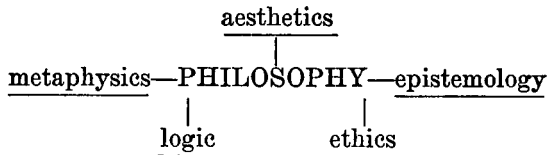
¹⁵ A. R. Leys. *Ethics for Policy Decisions*. (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1952).

¹⁶ Stewart Thompson, *Management Creeds and Philosophies* (Research Study Number 32; New York: American Management Association, Inc., 1958).

reference better to understand the kind of concepts and semantics associated with this term.¹⁷ *Webster's Third New International Dictionary* presents thirteen meanings for the word philosophy. Included are: the quest for truth; study of natural phenomena; system of motivating beliefs; and personal attitude. The *Encyclopaedia Britannica* notes it popularly means any formulation of very general principles for a particular activity such as politics.

In a generic sense, philosophy represents an endeavor to discover by systematic reflection the ultimate nature of things. It is derived from two Greek words meaning a lover of wisdom and knowledge. Sometimes it is used to denote a system of speculative beliefs such as a set of convictions on important issues as when we speak of a certain man's philosophy of life.

Philosophy as taught in our colleges and universities includes the five subject areas identified in the accompanying schema.



Aesthetics deals with philosophical inquiry regarding the beautiful in nature and art. Epistemology refers to the search for a criterion for truth: the science of knowledge. Ethics is a study of the systematic behavior of the nature of value concepts, "good," "bad," "right," "wrong," "ought," and the general principles which justify us in applying them to anything. Logic deals with the forms of valid reasoning. The two major forms of logical method are induction and deduction. Metaphysics is concerned with the ultimate nature of all reality in contrast with logic, ethics, and the natural social sciences which deal with more restricted fields of inquiry. It includes ontology which deals with the nature and types of reality (materialism, idealism, dualism) and cosmology having to do with the process of reality (determinism and teleology).

Philosophers themselves are hard put to find some notion of philosophy upon which all, or at least most, philosophers can agree. However, there are two extreme views of philosophy and upon the line drawn between these two extremes, every conceivable meaning of the term can find a place. On the one hand, philosophy can mean a totally disinterested attunement with the ultimate nature of things—a speculative enterprise which penetrates, for no practical purpose, the structure of reality. On the other hand, philosophy can mean the highest, most articulate kind of practical knowledge, the knowledge which knows how to order other knowledges for human purposes. Though too simplified, these meanings correspond to Ancient and Modern notions of philosophy. The older view saw metaphysics as philosophy's supreme expression

¹⁷ See *Collier's Encyclopaedia* (New York: O. S. Collier & Sons, 1959), Vol. 7, pp. 432-436; Vol. 15, pp. 668-670; *Dictionary of Philosophy and Psychology* (New York: The Macmillan Company, 1902), Vol. II, pp. 291-296; John Dewey, *Encyclopaedia of the Social Sciences* (New York: The Macmillan Company); Vol. XI-XII, pp. 119-128; *The Catholic Encyclopaedia* Vol. XII (1911), pp. 25-40.

while the more recent view repudiates metaphysics in order to free the mind from futile speculation and center it upon ends. Whereas the former seeks a knowledge of things in themselves, the latter seeks a knowledge of how things are to be used for the support and advancement of human life. In the mind of some philosophers, these two meanings are mutually exclusive. However, whether they are contradictory or compatible, the second meaning prevails today among professional philosophers.

MANAGEMENT PHILOSOPHY: WHAT MEANING?

Which of these aspects of philosophy has been utilized and/or applies to *management philosophy*? Does any unity emerge from beneath the multiplicity of meanings generally ascribed to this term? We find that a single meaning does dominate and this meaning not surprisingly reflects the prevailing understanding of "philosophy" within the United States. In America, as in any land, a recognizable brand of philosophy tends to dominate the intellectual scene. The specific American philosophy is, of course, Pragmatism (the thrust of the Pragmatic position implies the same sort of approach as Utilitarianism, Empiricism, or Pluralism).

One would expect, therefore, that in this country *management philosophy* means "Pragmatic Philosophy of Management." Examination of the literature confirms this. There appears little desire to erect a speculative philosophical theory of management; the chief concern is to develop a highly practice-oriented theory for control over the means and the ends of business. Philosophy here does not mean philosophy in its classical sense—a disinterested inquiry into the ultimate natures of things. Philosophy, rather, refers to the correct use of knowledge for achieving a definite, practical purpose: the support and advancement of a business enterprise.

This supremely practical (pragmatic) meaning of philosophy, however, does not answer to the deepest traditional meaning of philosophy: a contemplative vision of truth for its own sake and not for the sake of any result, monetary or otherwise. Philosophy in this traditional sense finds its highest expression in metaphysics—the science of reality as reality. In a management context, metaphysics would ask not how to manage for results, but what is the meaning of management in a cosmic perspective? Metaphysics would seek to know the ontological meaning of organizational structure and control rather than the methods of sustaining and embellishing these realities. This sort of approach would seek a disinterested, non-pragmatic, strictly metaphysical knowledge of organization and/or management *in itself*, apart from any formal relationship to human passion and human desire. It would be a "Metaphysics of Management"¹⁸ rather than a "Philosophy of How to Manage." Such a metaphysics would consider the realities of all organizations. Only in terms of such an approach can strict reference be made to a genuine "philosophy of management" in the most ancient, rigorous sense of the term "Philosophy."

¹⁸ Olaf Helmer and Nicholas Rescher, "On the Epistemology of the Inexact Sciences," *Management Science*, Vol. 6, No. 1 (October, 1959), pp. 25-52.

Thus *management philosophy* has come to mean knowledge of how to manage for results (pragmatism). As such, it refers to an exercise of power over the means which will be sufficient for the achievement of humanly desired goals. It utilizes available human science in an endeavor to secure the specific good it sets for itself. *Management philosophy*, American style, is concerned with knowledge for the sake of action in the human arena rather than its own sake in the arena of "divine" science (metaphysics). It eschews considering management in a cosmic context and prefers to deal with organizations in an unreservedly contextual manner. The theory of how to manage for results is, of course, a perfectly legitimate sphere of knowledge, but it is not strictly philosophical (i.e. metaphysical).

CLOSING OBSERVATIONS

The first step in dispelling confusion is to identify it, which was the task we set for ourselves in this essay. The evidence indicated a rather indiscriminate use of the term *management philosophy*. The confusion among writers on management philosophy, we observed, stems from a basic confusion about the term "philosophy" itself. On the one hand the term refers to a speculative penetration of the ultimate nature of things—Metaphysics. On the other hand certain modern thinkers, like the Pragmatists, have repudiated metaphysics in favor of an instrumentalist conception. Although these two meanings appear constantly confused in the management literature, the second meaning (Pragmatism) definitely prevails over the first (Metaphysics).

When considering management philosophy according to its pragmatic meaning, our focus is flexible and creative, centered on specific limited business goals and the most efficient method of procuring them. Any deliberation on management philosophy in its deeper metaphysical sense is more cosmic, unconcerned with control. Here management is looked at in order to understand it for itself as a perennial element of the human scene involving the deepest question of human freedom and infinite power. Some beginnings toward such a metaphysical approach were made by Barnard but these have yet to be worked out and clarified in any final way.

The dominance of the pragmatic meaning of philosophy among management writers, however, is probably not due to any conscious anti-metaphysical bias among them. Indeed, certain writers, notably Barnard, were very much at home with metaphysical concepts. Rather, the dominance of the functional or action-oriented approach to management is probably due to the prevailing focus of thought in our time. Temperamentally, we have little interest, and less time, for metaphysical questions.

Nevertheless, metaphysics is inescapable: men will always seek to know, beyond questions of efficiency, the final meaning of things in the context of the whole universe. Because of this, we can anticipate that a metaphysical meaning of management philosophy will be sought. Who is to do the job? Philosophers, as such, have shown little inclination to attempt such a task. Although several individuals have had considerable impact on the field of

management, it has not been dominated by any one individual in the manner of John Dewey, M. Keynes, or M. Weber in other disciplines. Since no one can hope to contribute much to the clarification of ideas in mathematics who is not himself a mathematician and so on throughout the sciences, it seems logical to anticipate a "metaphysics of management" would need the talent of a philosopher. In like manner, a definitive work on "managerial pragmatism" would come from within management ranks. Eventually, of course, union may be possible.

In the meantime, we ought to be concerned with questions of knowledge, value, ends, and means, but it is time to stop kidding ourselves by such indiscriminate use of the word philosophy. We cannot help but profit by keeping these dual aspects of management philosophy in mind. By so doing, writers would not be tempted to slip from one usage to another, confusing their readers and robbing their work of clarity and coherence.

No *philosophy* of management worth the name can emerge without a disciplined philosophical habit of mind. One implication of this for management theory is clear. If the ageless discipline of philosophy is to have an influence on the emerging discipline of management, either those in management submit themselves to the rigors of philosophy, or a way must be found to involve philosophers in this field. For, until philosophers become managers or management people learn the power and grace of philosophy, no ultimate philosophy of management can evolve.

Any discipline must face the threat of finding its devotees talking only to each other. This appears to be the condition of management "philosophers" today: the shibboleths of a few become the *ad hoc* doctrine of the day for the many. To prevent the perpetuation of this, we would do well to recall the words of the late Professor Arthur Lovejoy, ". . . truth is more likely to emerge through the interplay and conflict of ideas resulting from the exercise of individual reason than through the imposition of uniform and standardized opinions by authority."

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