

What Man in Man-agement?

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Abstract:

It may not be obvious how theories of organization and management are contingent on the underpinning theory of the Man being organized. Inured to post-Enlightenment notions of Rational Man, we may miss that much of our unease with recent economics-based reasoning about firms – e.g. transactions cost and principal-agent theories – springs less from how these have been developed to favor a-social ‘libertarian’ or managerial interests than the unexamined assumptions on which they stand. Thus humanizing may be more about questioning these than critiquing the way these theories are applied. Clearly we cannot build a theory of organization that addresses, for instance, sustainability or corporate social responsibility, until we replace the underpinning Rational Man - unconcerned with broader social problems - with something like Social or Ethical Man. Ironically, this is less a matter of ‘progressing’ towards some more enlightened way of thinking than of turning back to assumptions about ourselves that were widely accepted in pre-Enlightenment times. In this note I consider the Model of Man embedded in the ancient theory of rhetoric, Persuadable Man, so defining management as the process of persuasion and organization as the goal-oriented process of the persuaded.

Introduction

A conference on 'humanizing' firms and their management raises questions about what is presently so 'in-humane', and why. Where might this 'inhumanity' spring from - greed, special interests that others might see as undemocratic or illegal, a narrow focus on economic issues, the community's disenchantment? If organizations are about getting things done with or through people, theorizing management obliges us to make assumptions that define these people. We plunge immediately into the questions of human beings' essential nature that lie at the core of philosophy, sociology, psychology - and religion too. For instance we must wonder whether management should be based on Theory X or on Theory Y, about handling people who are inherently lazy or recalcitrant, or people who are essentially inventive or other-oriented, or on people who are sacred versus being in some way disenfranchised.

No doubt we shall get to these matters in our discussions. Likewise we may even come to blows attempting to define or clarify the various flavors of 'humanism', the contrast between secular and religious humanism, our concern as teachers for

educational humanism, and so forth. For that reason I shall assume the organizer's notion of 'humanizing' is less their proposal for a specifically humanist school of philosophizing than an implicit critique of the relatively 'in-humanist' philosophizing embedded in much of our current organizational and management theorizing. There is no hiding that, seeking objectivity, we have come to depend heavily on various characterizations of Rational Man (RM). The call to 'humanize' implies should we should re-consider or modify how we have done this.

Three camps

Assuming this view of our agenda is correct I guess we fall into three camps. In the first are those who feel rational self-maximizing offers a uniquely objective basis for a science of social organization and management, of which microeconomics is clearly a major part, and that alternatively-based interventions into RM's otherwise unfettered pursuit of self-interest are fundamentally flawed and counter-productive, no matter how well intentioned. Hayekian methodological individualists are among the leaders in this camp. From this point of view 'humanizing' probably means developing a richer understanding of our self-interest and how it plays out through our interactions, so to better appreciate perhaps, our intrinsic and social needs as well as our extrinsic property-defined needs. From this position we can also critique others' naive rationalism without attacking rationalism itself.

In the second camp are those who agree that while rationally determined self-interest lies at the core of our system of democratic capitalism it entails a concern for others in our society that is often lost in the noise of our economic competition. These others might include those who, for one reason or another, are not able to participate in these self-maximizing interactions as fully as the methodological individualists demand but who are nonetheless part of our society. It follows that members in this camp see society as importantly more than the stable system of market-based interactions that emerge as fully enfranchised individuals rationally pursue their own interests – the Invisible Hand thesis, or that of Chicago perhaps.

We trivialize the complexities of this second position when we think of society as no more than an efficient market, as some economists might when considering marriage or childbearing as an economic activity, or when we absorb the promise of a well-functioning society into our calculations as just another measurable factor. There is political and historical naiveté in such social exchange theorizing, just as there is in

arguing that what is good for General Motors is good for America, or that the employees' interests can ever be aligned effectively with the shareholders'.

Those in the third camp are more radical. They argue that the RM notion of self-interest is fundamentally incomprehensible and that it needs to be replaced with a more realistic image of who we are and of society's processes, rewards and expectations. In the English language tradition those in the first camp might claim to be followers of Adam Smith while some of those in the third camp - but far from all - might see themselves as Hobbesians. The first camp's members hope, maybe, that their democratic individualist commitment can be extended from a narrow selfish individualism to a more complex sense of the free but socially embedded individual. The Hobbesians, accepting the fundamental presence of power at the core of society, with its curtailment of individual freedom, might hope to tame its excesses, ensuring its power is exerted democratically, in the interests of the population at large, rather than towards 'special interests'. While those in the first and third camps are clear about what they stand for, those in the second camp seem to be fudgers, hoping to have it both ways, anticipating some kind of reconciliation between the Smithians and Hobbesians along the lines, perhaps, of the pragmatism of James or Dewey.

At stake here is the source or kind of rationality to be adopted, rather than rationality itself. Camp One theorists see RM as the embodiment of a universal or abstract form of rationality, objective in the sense that it stands apart from any and all special interests, be they of an individual such as a King or a Cardinal, or of interest groups such as capitalists, left-wing sociologists, or environmentalists. Camp Three Hobbesians see the practical rationality actually adopted in any particular historical context as the fundamental articulation and root of social power. They think that power means the power to choose that rationality that leads to one social practice or outcome rather than another, perhaps to maximize corn crop yields over minimizing pollution from fertilizers. In this sense Camp Three theorists might see RM's rationality-in-use as socially, politically, legally, or historically constructed, as Coase argued, while Camp One theorists might see it more abstractly as a 'natural' or 'God-given' species-specific property, unchangeable and invariant. But whatever we mean by 'humanize' is ultimately contingent on the theory of rationality with or against which it is being advanced, and we are not all of one mind here. It is clearly one thing to collectively or democratically modify - humanize - RM's socially constructed rationality towards a politically negotiated economic rationality, as some CSR theorists suggest, and quite another to see it a based on mathematical logic and thus invariant.

How does the Camp Two position differ? The battles of the Smithians and the Hobbesians, like many of the struggles in Europe's history, are between alternative 'true believers'. For Camp One and Three 'humanizing' means ameliorating their fundamentalism in the interests of a better society - or even toward more effective theory. In contrast I see Camp Two as a third way seeking a functioning pluralism, in this case hung between incommensurable views of human beings and their society. Yet how can these arise if individuals' interactions alone are what produce their society? Is there some essential component to a society that is absent from the individuals who comprise and create it, and thus which cannot emerge solely from their interaction?

Obviously the socialized individual is more than a biologically independent actor responding to her or his own utilities. He is also a political actor with a degree of freedom of personal action along the lines that the methodological individualists presuppose but whose freedom is constrained by the social facts Durkheim considered. Consequently there is both independence and inter-dependence. This presumes that human society, the on-going system of these constraints over the individuals' freedoms, exists beyond the actions of the individuals who comprise and create it. How can this be? Sociology differs from economics in seeking this puzzling collective component that lies beyond the individual. Perhaps society is an evolving constraining entity in the sense that we inherit it from the past and are therefore unable to persuade those long gone to now choose for us a different way of being. It is 'path-dependent' as we say these days, as the dead hand of the past rests on our shoulder. Or perhaps human society is evolving towards some not-yet-fully-perceived higher form, teleologically, reflecting constraints buried deep in our genes or other neurological structures we are only now beginning to grasp, revealed, perhaps, by recent neurobiological research. The point here is that as soon as we posit some non-individual social essence we set up a dialectical tension between our notions of individuals and of society, and this introduces a pluralism absent from the Camp One and Three's mono-theories.

The essence of the Camp Two argument is that humanizing means moving from the narrow fundamentalisms of either universal or socially constructed rationality and into more complex pluralist positions, of which there are clearly a large number. In our post-modern age this kind of pluralism is spreading rapidly; indeed business schools may be among the final redoubts against such trends. But where does this pluralism leave us? Is this humanizing? Aside from having to choose fundamental notions of both individuals and societies, so exposing ourselves to attacks on both flanks, we raise questions about how tussles between the two kinds of assumption are to be resolved. Is this where we find the essence of humanism? But when social constraints limit

individual choice how are we to evaluate the outcome without collapsing one into the other - by assuming, say, that individuals' choices are inherently aligned with society's needs, as the Invisible Hand proposes. Alternatively we might justify removing constraints when particular individuals' choices open up new possibilities for society, such as same-sex marriage, just as we can justify keeping the constraints when individuals attempt behaviors that we feel threaten the group's future, such as Ponzi schemes or murder.

Organizations

I am flirting with sociology here with the intent of mapping some of its concepts into our thinking about organizations. In particular to wonder if we have some good reason to suggest that organizations are more than the stable outcome of interactions between self-interested individuals - i.e. more than markets? Do organizations, like societies, have some essential nature independent of their individuals that is the real target of organizational theorizing? But what is this essence and how does it differ from the essence of individuals? Is such essence non-human, as systems or complexity theorists suggest? Is the organization an independent evolutionary entity with its own genetic basis as Nelson & Winter have suggested? In which case what can 'humanizing' organizations mean? How might we intervene in something so independent of us? Are we also discussing humanizing markets? What can this mean?

If markets are truly emergent, driven by the fundamental rationalism of self-interested individuals, can we humanize organizations by making them more like markets - i.e. less Hobbesian and more Smithian? Perhaps markets are indeed more 'humane' than organizations – as Hayek implied. Then, as we consider the possibility of interpenetrating Hobbesian organizations with Smithian modifications (aside from the allusion to Oliver Williamson's doctoral work), some might find an echo of Herbert Simon's punishing attack on the 'proverbs of administration', though now we are talking about the contrasting proverbs of a more general social framework.

I think there is a profound lesson here. As organizational and economic theorists we might do well to narrow our attention to our own organizations and markets and resist the temptation to theorize society generally or indeed even elsewhere in the world. Or, put another way, if by humanizing we mean reconciling organizations and markets to the entire sweep of human history and psychology we set ourselves an insuperable task. At best we will only hear each others' wheels spinning as we remain

bogged-down in these questions' complexity. Another way of putting this is that we might do well to take our own capitalist democratic system for granted, as a system of historically contingent Durkheimian facts, and explore the possibilities for humanizing that rather than wander beyond it into parallel socio-economic worlds - I am reminded of de Soto's stunning *The Mystery of Capital*¹. Thus I would focus on humanizing our local organizational and managerial practice rather than embarking hubristically on humanizing the globe.

Again, to put this yet another way, I think humanizing means we should start from the specific economic and organizational activity we see going on around us rather than from some abstract axioms of rational choice that imply a universe of possibility populated only by RMs and their activities, emergent or otherwise. Humanizing may be less about ameliorating the apparatus that stands on these rationalist abstractions and more about capturing what we see and know of our world and its doings, in particular its non-rational aspects. Hobbes is useful, for his point of departure was Man's a-rational essence, and the resulting need for power to constrain it if life is to be anything other than nasty, brutish and short. Likewise Smith's arguments were deeper and more complex than we generally recognize, articulated in his *Theory of Moral Sentiments*. Curiously his core concept of 'sympathy' has recently been hugely reinforced by the discovery of 'mirror neurons'².

But when it comes to focusing on our context there is no transparent way of grasping it. In spite of Bishop Berkeley's stone-kicking and wishing it otherwise, what we take as its facts are always communicated in a language grounded in theory, a theory that we can never fully warrant, that is always a strategic choice - in John Child's sense of that term. So humanizing must itself be grounded in a theory of the human condition. In particular, the theory we adopt determines what experiences are to be gathered and what are to be ignored. Above I suggested that if we want to theorize usefully about organizations and management we should embrace rather than reject our extensive experience of social power. That might lead us to Hobbes and political theories of organization and management, of which there are plenty, rather than any RM-grounded theory. We could likewise reject RM's ivory-tower isolation, and the moral and intellectual simplicity of rational decision-making, albeit with the consistent biases suggested by behavioral economics, and turn to a subtler fully-lived theory of

¹ de Soto, H. (2000). *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. New York: Basic Books.

² Rizzolatti, G., & Craighero, L. (2004). The Mirror-Neuron System. *Annual Review of Neuroscience*, 27, 169-192.

extrinsic and intrinsic motivation. In either case we could argue that humanizing is about approaching the world with more realistic theories that capture more of our own experience of that world. More important is that we see how choosing among alternative theories gives us different notions of humanizing. But which theory are we to choose - and can we do more than end up with a heap of disconnected and incommensurable discourses as each camp pursues its own theory of the world and notion of humanizing? This is the horror of the post-modern condition in which pluralism - and its attendant chaos - reigns. We fall back into the pre-Leviathan world.

Bounded rationality

I want to skirt this dark conclusion and advance a personal view of what might be more revealing and thus humanizing about organizations and management. Here I follow the bright light that Simon shone onto the human condition, in particular I want to focus on the impact of uncertainty, to agree that bounded rationality is RM's Achilles heel, his undoing. To focus on how RM's world might be humanized by paying more attention to social or stakeholder objectives, for instance, or on intrinsic rather than extrinsic benefits, is to miss Simon's main point. Indeed, as you all know, Simon went so far as to say that under the conditions of certainty that are typical of business school theorizing, management would be unnecessary. Everyone would make his or her own contract. There would be nothing but markets and individuals, nothing essential beyond the individual's self-interest.

If we make bounded rationality the core of what we find in the world we end up in a very different conceptual space. In the discussion above, which I think entirely conventional, our assumptions about the impact of uncertainty on human beings and organizations are hidden - i.e. we ignore it. This has the pernicious effect of persuading us to talk about 'people making decisions' or 'organizations competing' as if the nature or ontology of both was unproblematic. In my Hobbesian comments above I suggested an era's practical rationality might be socially or feudally or religiously constructed, truth is whatever power claims it to be. In such cases society is not a notion unto itself, with its own essential nature. On the contrary, it is subordinated to those individuals with power, which becomes the more fundamental fact of our condition. In this way, though we problematize society, we resolve it with the notion of managed power.

But note that we have not problematized the individual as, say, Freud might with a three-way split between the Id, Ego and Super Ego. Consequently Rational Man is a

radical, albeit attractive, simplification of what we constantly experience about our condition and our selves. It denies our social and emotional nature and is an intellectually costly over-simplification in that it obscures almost everything that is relevant and interesting. It offers us a fully resolved sense of both self and society, no contradictions, nothing material hidden in the subconscious, nothing real, almost nothing to theorize about. Those into Greek philosophy know it is a truly Stoic achievement, the cultural articulation of a life to be lived without emotion, directed by only reason and self-interest in ways that deny our practical difficulties with reading the world and each other.

I am now at the hinge of my argument, so bear with me as I indicate a differently grounded way of thinking about firms and managers in the hope of surfacing a rather different notion of 'humanizing'. Let me begin by explaining why I change direction - driven less by an ethical concern than by the more practical observation that if we stay within the framework explored up to this point we cannot find any compelling explanation as to why the RMs so familiar to those in Camp One would ever bring organizations into existence. We try to theorize management yet assume organizations' existence, much as sociologists in the Parsonian tradition assume societies exist independent of the efforts of those that constitute them. We skip past management as the creation of firms, just as methodological individualists skip around the creation of society or, indeed, the individuals they consider so fundamental. Once firms exist we can certainly theorize how managers' rational decisions might expand or shrink them using, say, transactions-cost or competitive strategic analysis. But this is to confuse the mystery of reproduction with childcare. In fact we might observe, as Ijiri & Simon³ did, how firms' size distribution fits a power law that denies management's impact, as some population ecologists have also suggested.

Following Simon's initiative we can probe organization as an essential human means of coping with bounded rationality. I think, in spite of our admiration of Simon and his work, we can say *Administrative Behavior* is not entirely clear how this is supposed to work while also praising it as a valiant attempt to humanize our economic and organizational theorizing. I believe Simon thought careful management of the fact-value distinction would enable a well-designed administrative apparatus to absorb boundedly rational individuals into an essentially rational organization. Organizations had essentially rational essences that could be deployed to protect us from the limits to

³ Ijiri, Y., & Simon, H. A. (1977). *Skew Distributions and the Sizes of Business Firms*. Amsterdam: North-Holland.

individuals' rationality. This is in line with the suggestion that large samples are more likely to reveal the truth - how can so large a number of people be wrong? However Simon was not, obviously, appealing to some basic human rationality here, along the lines of those in Camp One. He denied this. Thus the rationality of *Administrative Behavior* is essentially Hobbesian, that derived from the organization's chosen goals, rather than universal, grounded in the nature of Man. In this sense Simon proposed an effective administrative apparatus for more humane people rather than a more humane form of organization. His model carried no obvious implications for CSR theorists or even for the stakeholder model of the firm, for the senior management's power to choose the organizational goals is unmodified.

While respecting Simon's attempt to step beyond naïve rationality, I think there is a different way of proceeding, one backed by several thousand years of thought about these matters. After all, organization is not the most distinctive feature of modern society, in spite of Simon's provocative thought experiment about the visitor from another planet⁴. There have been organizations in all recorded history. Indeed given Simon's intellectual integrity and voracious intellectual appetite I remain extraordinarily puzzled about why he appeared to ignore this history. Thus my position is firmly in Camp Two, trying to have it both ways. On the one hand accepting a form of universal genetically-grounded rationality, but on the other a measure of social or managerial constructivism. If, following Simon, we go along with human beings being also genetically boundedly rational then the managerial task is a double one. On the one hand of directing the employees' 'intended rationality' towards the organization's chosen goals, on the other hand finding some way of dealing with the 'rationality failures' that arise in and around that process.

The shift here is from Rational Man to a different model of the individual, one that I would argue is more humane in that it is closer than is RM to what we see in ourselves and in others. Briefly, when confronted by the uncertainties that precipitate our reasoning failures we recourse to our imaginations, to what John Locke called our God-given facility of 'judgment'. Many have argued we can only develop judgment through experience as we learn to recognize situations. Indeed Simon argued for the 'chunking' of the knowledge so acquired, the idea that most professions called for something like 10 years of personal experience, for a depth of varied experience that typically takes a decade to gather. So when confronting uncertainty, such as today's conditions in the

⁴ Simon, H. A. (1991). Organizations and Markets. *Journal of Economic Perspectives*, 5(2), 25-44.

energy business or how to design the next generation of mobile 'phones, managers have good reason to search for those with the appropriate decade of experience. But how could we evaluate such appropriateness without knowing the future, without therefore denying uncertainty – and what if such people are in limited supply and cannot be found? Can managers allow this kind of strategic uncertainty to freeze them into inaction?

Yet on what basis can they justify their actions when the RM approach fails, when there is neither enough information about their options nor a clear objective function, nor experienced others available?

Agency

We act anyway. Indeed, if we really want to talk about humanizing, what is more fundamentally human than our ability, unlike that of a computational device, to act in the absence of reasoning? The model implied here is Agentic Man, familiar, for instance, to philosophers of art rather than those of science, to those interested in human creativity and so forth. Art is what it is precisely because it is a-rational action under considerable uncertainty, resulting in creative individuals displaying their artistic imagination rather than their artistic skills to others in their world. We might say art begins with what matters but cannot be forecast. Thus agency is sometimes defined as 'making a difference in the world'. Art is agentic *par excellence* in that it changes peoples' perceptions of themselves and thereby remakes our lived world.

Agentic Man lies at the core of most humanist philosophies, those that presume (a) human beings have agency, and (b) they acquire corresponding moral responsibilities for the results of their actions, especially towards others, but also to themselves and to their environment. The term 'agency' is much bandied about these days and there is considerable debate about what it means. We should not confuse 'agent', one who acts on behalf of another, and a person with agency i.e. with a practical imagination that enables him to act under uncertainty. Not should we confuse 'principal-agent theory', that specifically economic theorizing about how to deal with information and incentive asymmetries, with 'agency theory' - generally considered central part of philosophy or sociology.

For present purposes by agency theory I mean theorizing how (and why) humans act in the world in spite of the limits to their information or processing power that prevent them computing or constructing a rational explanation for their action. In

agency theory human actors are more than the dumb instruments of external causes and are defined as able to supplement the shortcomings in their analysis by bringing a practical imagination into play. In the workplace we often describe agentic acts as 'workarounds', what people do when their instructions have failed, when they have experienced 'managerial or organizational failure'. Note that agency does not deny rationality, for agents may well be purely rational when circumstances allow, but under conditions of uncertainty they act in ways that Rational Man, because he is not agentic, cannot, that lead to RM freezing up.

The idea of people as practical and active combinations or syntheses of reasoning and imagination was entirely familiar to the Enlightenment philosophers, among whom I would count Hobbes, Locke and Smith. But the assumption that the imagination can supplement one's reason when that fails does not comprise a theory of management. On the contrary it is just a way of identifying what managers must manage if we displace Rational Man in our analysis with Agentic Man i.e. managers must direct both their employees' rationality and their agentic capabilities towards the organization's objectives. Note imagination is a presumed property of Mind, just as we assume Mind also comprises rationality. Neither reason nor imagination can be observed directly, only their impact on the world. While we tend to conflate rationality as a quality of Mind with acting rationally we can more easily distinguish between possessing imagination as a quality of Mind and acting agentially in the world. As we shift the basis of our theorizing from Rational Man to Agentic Man we transform the managerial task from directing and incentivizing those who have complete information towards shaping the agency of those who act without it. How might this be done, and why do I suggest we have thousands of years of history on this topic?

Rhetoric

I am pointing towards the ancient art of rhetoric. As some will recall, the core of Aristotelian rhetoric lies in its three branches – though legs might be a better metaphor, perhaps, the legs of a three-legged stool; *logos*, *ethos* and *pathos*. *Logos* is the speaker's appeal to the listeners' rationality or logicity. Like a mathematical proof or Mr. Spock on the Spaceship Enterprise, if you accept these axioms you must accept these logical conclusions - QED. This inferential apparatus is seems to be objective, standing outside us. *Ethos*, much debated, might be explained as the speaker's appeal to the social norms and practices that unite her/him with the audience. Many, perhaps most, Americans were swayed by Colin Powell's pre-Iraq War appeal at the UN because

his service, loyalty and forthright courage seemed to embody the essence of who we wanted to be. But others, many Europeans and those from the Middle East, were in different historical and social networks and responded differently. *Pathos* is generally explained as the speaker's appeal to the listeners' emotions.

Rhetoric is a vast and complex field that warrants a lifetime's study, but we see immediately it implies a model of a listener whose powers of reasoning are synthesized with senses of both social relationships and personal emotion. You might also notice how this sense of trinity - sometimes identified as the Rule of Three - runs through much of Western thought and, indeed, into our thinking about management and organizations. I mentioned Freud already. Closer to our literature Barnard, a richly educated man in addition to his business achievements, theorized the executive function as synthesizing the organization's three incommensurate sub-systems or conceptual dimensions - the physical, the social and the psychological - into the 'organizational system' and in this way anticipates the anti-Parsonian work of Niklas Luhmann. We could make more of this three-ness, but at another time.

I think it fair to suggest that Agentic Man - who makes a difference in the world - and Rhetorical Man - the target for a leader's rhetoric - are similar if not one and the same. Thus the practice of rhetoric is ultimately about harnessing the listeners' imagination and agency to the leader's chosen purposes. I should add that one of the longest running disputes among theorists of rhetoric is whether rhetoric's object is persuasion, in the purely cognitive sense of persuading listeners to another opinion, or action, in the activist sense of taking to the barricades. I tend to the latter and the view that the fundamental function of rhetoric is in the field of human action, to provoke and shape the agentic activity of others.

This leads me to a rhetorically shaped theory of organization whose key constituents are agentic. Under conditions of uncertainty, be those of bounded rationality or of knowledge-absence, rationality fails, and agency must be harnessed. Thus organizations are the specifically human outcomes of effective rhetoric, made relevant only by uncertainty. Rhetoric is not about better communicating instructions and incentives to be processed rationally. Thus organizations are not directly engineered, as are bureaucracies, nor are they naturally occurring 'self-organizing' entities. They are deliberately constructed (*Gesellschaftlich*) by talk as leaders persuade others to act according to their vision - in ways that are familiar to us from great political speeches. But practical rhetoric - and human organization - arises everyday. The posse gathers and chases after the bank robbers, a collaborating entity appearing almost

magically where only a few minutes before were a bunch of deeply self-interested individuals. Or a disaster occurs and passers-by spring into action, barns are raised, levees sandbagged. We are reminded that human beings are not merely rational, but are also profoundly agentic as they collaborate.

What is less obvious about Agentic Man, yet is central to any agentic theory of organization, is how RM and AM (agentic man) differ in respects other than that of having a practical imagination. We might put it this way. If the world were certain, there would be no possibility of making a difference, for everything would already be written, fully determined. At best we would be acting out a pre-existing script. An agent's imagination or action could make no change in the world for every effect would already have an external cause lying beyond the individuals involved. There would be no interaction with this script and we would all be in the grip of the Gods. Thus agency is about our ability to create breaks in an otherwise complete network of causal relations. In this sense agency is about creating uncertainty in the human condition as well as responding to it. It creates links between parallel universes - one in which agents are passive instruments and another in which s/he is an active cause. The second resists explanation because it demands a more complex sense of self than RM allows. In particular we know from our experience that we can never know ourselves fully enough to know how we might respond to the unanticipated and unknown, the confrontation with uncertainty. Thus wise politicians refuse to answer 'hypothetical questions 'such as 'If such and such were to happen, how would you deal with that?' The internal or psychological version of uncertainty is to do with the boundedness of our self-knowledge. If we knew ourselves or our utilities for certain, we would not be open to being persuaded, for we would already know everything we needed to know or that there was to know. Learning would stop. Thus persuasion and uncertainty are part and parcel of each other, just as are rhetoric and education.

Uncertainty of condition and self

Rhetoric is only relevant to an uncertain world, just as agency is only relevant there too. Psychologists, whose theorizing is set off by problematizing the sense of self that RM takes for granted, have a wide variety of ways of expressing this point. To short cut around real psychology we can borrow Simon's intriguing phrasing, taken from the US behavioral psychologist Tolman. In Ch. V of *Administrative Behavior* Simon used the term 'docility', meaning malleability rather than passivity, its more common modern meaning. Rhetoric does more than presume people are docile, persuadable in the

narrow cognitive sense of remaining unchanged while being persuaded to abandon one opinion and take up another. On the contrary, it presupposes people are more deeply malleable, not entirely sure who they are, and consequently that they can be changed and stirred to act with emotion, imagination and ethical commitment in ways that they have not previously considered or even imagined. In this sense the rhetor persuades them to be the best that they can be. Without delving too deeply into humanism as a specific philosophy, especially the distinctions between secular and religious humanism, or those between modern and Romantic humanism, I think we can say the contrast between Rational Man and Rhetorical Man is the contrast between a human discourse of *logos* alone, without *ethos* and *pathos*, and that with all three.

History suggests the rise of rationalism, along with that of science as today's privileged objective form of discourse, is relatively recent and reached its apogee in the late 19th century. The post-modern era is one in which the certainties that science and the scientific method promised have, for the most part, lost their grip on us - though as I have suggested above, and in other writings, that business schools seem oddly anachronistic in this respect. In spite of the success and huge influence of Scientific Management on organizational and managerial theorizing, paralleling the influence of marginalism and formalism in economics, I believe practicing managers have always been aware of the need for a broader discourse. In this sense there is no need to humanize them, they are already there. Working to do things through others they know precisely why rhetoric is necessary. Rather it is us academics who have lost our way by presuming Rational Man can provide sufficient grounding for our work.

The human condition

In conclusion we can say that human beings in general and managers and organizations in particular live in circumstances of continuous and irremediable uncertainty. Consequently peoples' naturally-given agency is almost always in play. Organizations are humanly constructed contexts in which managers call forth, depend on and must shape the agency of others. Organizations are managerial constructions wherein the principal technology-in-use is language, the special jargon and dialect of everyday organizational life. That, rather than incentives, is the manager's principal means of persuading others' agency as well as their reason.

But harnessing the agency of others is not like doing card tricks or optical illusions, reminding people how easily they are fooled. Harnessed agency is the foundation of the

collaboration essential to organization, that which stands outside the individuals that bring it into existence. We might say that the concept of organization begins with a task or goal that one person alone cannot achieve, thus something that lies beyond the limits of their own agency. We can imagine outcomes that we alone cannot produce, for our imagination is not limited to our experience, as Simon inadvertently suggests. To reach beyond ourselves and our experience, to generate society, ethos or justice, we must collaborate with others, displaying a deeply human capability, though not uniquely so.

Humans can certainly collaborate within a discourse of reason, such as through markets or offering incentives for performance and so forth, and this behavior is certainly interesting for theorists. But it is never sufficient to real managerial practice. There, Murphy's Law and other manifestations of uncertainty intrude into the existential calm of the fully planned context and call forth the participants' agency. A sense of organization as persistent calls for a continuous encouragement, deployment and shaping of this agency, and rhetoric is the primary tool managers have available for this. Rhetoric acts not merely by informing individuals so that they might better apply their reasoning capabilities towards the organization's goals rather than their own (the principal-agent issue indeed), but rather by exploiting our natural docility and turning us into creatures of the organization in precisely the ways lambasted in Whyte's *Organization Man* (1956)⁵.

We confront one of the core paradoxes of 'humanizing'. Our conversation may convey the belief that we can make things better with a more humanized approach to organizations and their management. But we mistake our condition. We do not have to read Aeschylus or Dante or Arendt to know that Agentic Man is a mixed bag, as capable of generating evil as good. The very fact that people are docile, capable of giving up their own sense of self and adopting that offered by others, is key to both large businesses and revolution, to getting to the Moon and to the death camps. No longer living in the terror of the 30 Years' War, which precipitated the rush to rationalism across Europe, we forget that rationality's principal appeal was its promise of constraining the evil then executed in the name of religion, especially, and later, by the more secularized politics we saw explode after Tito's passing.

As we part company with Rational Man and the calm such theorizing offered, we confront and re-engage the brutality of our own history. This is no less occasioned by, say, the growing discrepancy between shop floor and CEO pay or the consequences for

⁵ Whyte, W. H. (1956). *The Organization Man*. New York: Doubleday & Co.

the 'little people' of the sub-prime crisis or the impact of the US coffee-growing subsidies on African farmers, for being economic rather than physical violence. But at least we engage something that matters. Indeed we might say that today's organization theory and microeconomics is remarkable for how little it matters to the world beyond our ivory tower.

Yet we also know that organizations are the most significant of all Man's artifacts. Our ability to organize sets the limits to our ability to be truly agentic, to meet the challenge to shape the human condition. Recent upheavals in the rice and corn markets are reminding us that world hunger is not a problem of agricultural science, in spite of the Green Revolution. It is an organizational or administrative failure. Likewise AIDS in Africa is not a medical problem so much as an administrative one, blessedly one partially addressed.

In short, and in conclusion, we business school academics desperately need to revitalize organization theory and microeconomics, to help save it (for it is properly a single discipline) from the hundred plus years of the intellectual deprivation occasioned by the turn to Rational Man. Whether we move under the banner of 'humanism' or 'sustainability' or 'corporate social responsibility' or 'Lacanian analysis' matters less than that we move.