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Critique of Modern Reason and Its Bearing upon Organization Theory

Organization theory as it has prevailed is naive because it is predicated on the instrumental rationality inherent in exant Western social science. In fact until now this *naïveté* has been the fundamental reason for its practical success. Nevertheless we must now recognize that its success has been unidimensional, and, as will be shown, has a distortive impact on human associated life. This is not the first time that because of theoretical considerations one has been led to condemn what, in practical social life, has worked. In fact forty years ago Lord Keynes noted that economic development rose out of avarice, usury, and precaution, all of which he despised. Nevertheless he concluded that 'for a little longer' they must continue 'to be our gods,' because 'only they can lead us out of the tunnel of economic necessity.' Within the precarious conditions still expected for a while, Keynes recommended that 'we should pretend to ourselves and to everyone that fair is foul, and foul is fair; for foul is useful, and fair is not' (Keynes 1932: 372).

Like Keynes, some today would also wish to suspend criticism of current organization theory, because although it may be poor in sophistication, it works. To do this, however, one must pretend that *naïveté* is fair, while theoretical sophistication is foul. There comes a time such as ours in which the psychological energy an individual must spend in order to cope with the tensions resulting from this self-deception is of such magnitude that he refuses to be conventionally successful and ceases to comply with the norms by which society legitimizes itself. In such circumstances organization theory as it is now known is less convincing than it has been in the past. Moreover it becomes impractical and inoperative to the extent that it continues to rely on naive assumptions.

The word '*naiveté*' is used here in the Husserlian sense. Husserl

acknowledged that the essence of the technological and economic success of advanced industrial societies has been an outcome of intensive application of natural sciences. However, the manipulative capability of these sciences is not necessarily an indication of their theoretical sophistication. Thus, according to Husserl, to the extent that such sciences take as self-evident the prereflective mode of everyday life, they are 'on a level with the rationality of the Egyptian pyramids' (Husserl 1965: 186).

In other words, Western natural sciences do not rest upon a truly analytical mode of thought as they have become caught up within the frame of immediate practical interest. This state of affairs is, perhaps, what Husserl referred to when he said: 'All natural science is naive in regard to its point of departure. The nature that it will investigate is for it simply there' (Husserl 1965: 85). Natural sciences may eventually be forgiven for their naive objectivism because of their productivity. But this permissiveness cannot hold in the social domain, where erroneous epistemological premises become a crypto-political phenomenon – i.e., a disguised normative dimension of the established power configuration.

The present chapter is an attempt to identify the epistemological thrust of established social science, of which current organization theory is a derivative. My main contention is that established social science is also predicated upon an instrumental rationality, which is peculiarly characteristic of the market system. I will conclude by suggesting the topic of the following chapter: a more theoretically sound concept of rationality, to wit, substantive rationality, which provides the ground for an alternative social science in general, and for a new science of organizations in particular.

REASON AS RECKONING OF CONSEQUENCES

In the modern period of Western intellectual history beginning in the seventeenth century and continuing to this day, the previously established meaning of those words which constitute a basic theoretical language has drastically changed in a determinate direction. In the works of men like Bacon and Hobbes writing in the cultural climate of the seventeenth century, it is evident that the meaning of the term 'reason' (as well as those of other terms such as 'science' and 'nature') was already peculiar to an unprecedented semantic universe.

In the age-old sense, as will be shown, reason was understood to be a force active in the human psyche which enables the individual to distinguish between good and evil, false and genuine knowledge, and, accordingly, to order his personal and social life. Moreover the life of reason in the human psyche was envisioned as a reality which resists being reduced to a historical or social phenomenon.

In Hobbes's works 'modern reason' is for the first time clearly and systematically articulated, and its influence has not perished to this day. Defining reason as a capacity which the individual acquires 'by industry' (Hobbes 1974: 45) and which enables him to achieve nothing more than a 'reckoning of consequences' (Hobbes 1974: 41), Hobbes intended to strip reason of any normative role in the domain of theory building and human associated life. In a book in which he attempts to substantiate such an intent, he says, 'Civil philosophy' is 'no older ... than my book *De Cive*' (Hobbes 1839: IX). Mainstream social science in both its academic and popularised versions is largely a footnote to Hobbes.

It seems that the term 'rationality' is usually now employed by laymen as well as by social scientists in a deceitful fashion, but a deceit based no longer on the self-conscious type of inquiry conducted by Hobbes but on a profound bewilderment. The deceitful implications which the term holds at present need to be identified for what they are. Since nowadays rationality very often assumes connotations antithetical to the fundamental aims of human existence, anti-rationality without qualification has become one of the theses of some who see themselves as humanists. When one examines their intentions, however, one realizes that theirs is a mistaken cause. Their intentions may be sound, but their target is deceptively misplaced. The rationality they fight is actually the distortion of a key concept of individual and associated life.

The transvaluation of reason – leading to the conversion of the concrete into the abstract, of the good into the functional, and even of the ethical into the a-ethical – characterizes the intellectual profile of writers who have attempted to legitimize modern society solely upon utilitarian grounds. A major thesis of this book will be to point out that when compared with other societies, modern society has demonstrated a high capability for absorbing, by distortion, words and concepts whose original meaning would clash with its self-sustaining process. As the word reason could hardly be discarded because of its centrality to human life, modern society has made it compatible with its normative framework. Thus in modern market-centered society, predicated upon the Hobbesian understanding of rationality, distorted language has become normal, and one of the means to critique such a society is to describe its cunning in misappropriating the theoretical vocabulary which prevailed before its rise.

With the intent of paving the way toward a new science of organizations and society at large, free from distorted theoretical language, in the following paragraphs I briefly discuss the critical assessement of modern reason undertaken by leading contemporary scholars.

RESIGNATION AND MAX WEBER'S VIEWS ON RATIONALITY

When Max Weber undertook his academic work, the age-old notion of reason had already lost the normative connotation it always had as a referent for ordering personal and social affairs. On the one hand, from Hobbes to Adam Smith and the modern social scientists in general, instincts, passions, interests, and sheer motivation replaced reason as the referent for understanding and ordaining human associated life. On the other hand, under the sway of the Enlightenment, from Turgot to Marx, history replaced man as the carrier of reason. Against this situation Max Weber stands as a solitary figure. He rejected both the crude British empiricism and the naturalism of social scientists as well as the historical determinism mainly characteristic of German thinkers. One clear indicator of the polemical overtone of Weber's academic work is his attempt to qualify the notion of rationality.

Max Weber is frequently portrayed as a true believer in the unqualified excellence of the logic inherent in the market-centered society. A faithful reading of his work suggests, however, a different account of his thought on this matter. He did write extensively on the market as the most effective arrangement for enhancing the productive capabilities of a nation and for escalating its process of capital formation. But in addressing himself to the market and its specific logic, it is evident that Weber does not taint his investigation with fundamentalism. He was not a fundamentalist because he explained the market and its specific logic as the thrust of a singular epoch: history, for Weber, does not end its course with the advent of such an epoch. He focuses upon these matters from the standpoint of functional analysis. In fact, he deserves to be considered as the founder of functional analysis. Modern authors, as for instance Adam Smith, overlook the precarious character of the market logic, while Max Weber interprets it as a functional requirement of a determinate episodical social system. Adam Smith proceeded as a fundamentalist since he exalted the market logic as a normative ethos of human existence in general. Max Weber, however, describes such a logic (of which bureaucracy is a manifestation) as a heuristic construct congenial to a peculiar form of society – capitalism or modern mass society. Max

Weber explicitly condemns any fundamentalist type of economic analysis which 'identifies the psychologically existent with the ethically valid' (Weber 1969: 44). In this vein, having in mind the liberal economists, he remarks: 'The extreme free traders ... conceived of [pure economics] as an adequate picture of "natural" reality, i.e., reality not disturbed by human stupidity; and they proceeded to set it up as a moral imperative – as a valid normative ideal – whereas it is only a convenient type to be used in empirical analysis' (Weber 1969: 44).

Max Weber's account of capitalism and modern mass society was essentially critical, in spite of certain laudatory appearances. He was struck by the way such a society was transvaluating the traditional meaning of rationality, a process that he inwardly regretted, although he failed to confront it directly. Even though Weber refused to build his analysis on moral indignation, as did other theorists, most notably Karl Marx, it is erroneous to attribute to him any dogmatic commitment to the rationality engendered by the capitalist system. Weber's distinction between *Zweckrationalität* and *Wertrationalität* – which he sometimes minimizes – is indicative of his moral conflict with the dominant trends of modern mass society. As is widely known, he pointed out that formal and instrumental rationality (*Zweckrationalität*) is determined by expectation of results or 'calculated ends' (Weber 1968: 24). Substantive or value-rationality (*Wertrationalität*) is determined independently of its prospects for success and does not characterize any human action concerned with 'achievement of a result ulterior to it' (Weber 1968: 24–5). Accordingly Weber describes bureaucracy as exerting rational functions in the peculiar context of a capitalist market-centered society. Its rationality is functional, not substantive. Substantive qualities are an intrinsic component of the human actor.

On no grounds can one consider Max Weber as a representative of bourgeois rationality. He looked at such rationality with clear personal detachment. Those who claim otherwise inadvertently identify his ad hoc remarks with his personal stance in general, and as well fail to realize the spiritual tension underlying his effort to investigate *sine ira ac studio* the thrust of his epoch. To be sure he was unable to solve this tension by undertaking a social analysis from the vantage point of substantive rationality. In fact *Wertrationalität* is, so to speak, only a footnote in his work; it did not play a systematic role in his studies. If it did his research would have taken a completely different path. He chose resignation (i.e., value-neutrality, not confrontation) as a methodological posture in his study of social life. Yet this resignation never bewildered him, turning

him into a radical historicist. Significantly he deemed as 'self-deceptive' any position which 'asserts that through the synthesis of several party points of view, or following a line between them, practical norms of *scientific validity* [italics in the original] can be arrived at' (Weber 1969: 58). His historicism was kept in balance by his strong sense of the finitude of scientific concepts as compared with the 'infinitely manifold stream' (Weber 1968: 92) of reality.

Max Weber's qualified functionalism has been misunderstood by some of his interpreters and even some of his self-proclaimed followers. A case in point is Talcott Parsons, whose work Max Weber apparently influenced. Parsons shows little or no moral ambiguity toward the rationality inherent in the market system. In the light of his dogmatic model of structural-functional analysis from which he derives his notion of 'pattern variables' and 'evolutionary-universals,'[1] the specific requirements of advanced capitalist society become dogmatic standards for comparative social science, and even for history itself.

KARL MANNHEIM'S ARRESTED INSIGHT INTO RATIONALITY

Karl Mannheim obviously relies on Max Weber in order to elaborate a distinction between substantial and functional rationality. He defines substantial rationality as 'an act of thought which reveals intelligent insights into interrelations of events in a given situation' (Mannheim 1940: 53) and suggests that acts of this nature make possible a personal life oriented by 'independent judgements' (Mannheim 1940: 58). This rationality constitutes the ground of ethical, responsible human life. Functional rationality relates to any conduct, event, or object insofar as it is recognized as purely a means to attain a given goal. The unlimited impingement of functional rationality upon human life undermines its ethical qualifications.

This distinction is thus worked out for ethical purposes. Indeed, Mannheim stresses that functional rationality is 'bound to deprive the average individual' (Mannheim 1940: 58) of his capacity for sound judgment. He sees a decline of the critical faculties of the individual proportional to the development of industrialization. He also suggests that although functional rationality has existed in early societies, there it was restricted to limited spheres. In modern society, however, it tends to encompass the whole of human life, leaving to the average individual no choice but to give up his autonomy and 'his own interpretation of events

for those which others give him' (Mannheim 1940: 59). His book *Man and Society in an Age of Reconstruction* is an inquiry about how to safeguard human life against the increasing expansion of functional rationality. Mannheim claims that whoever wants to be consistent with the distinction between the two kinds of rationality must realize that a high degree of technical and economic development can be coincident with low ethical development. This point is worth underlining because there are authors of positivist orientation who seem to acknowledge the validity of the distinction, apparently without realizing its ethical consequences.

Mannheim's distinction does not imply that functional rationality is to be abolished from the social realm. It rather stipulates that a true, sound social order does not obtain when the average man loses the psychological strength to stand the tension between functional and substantial rationality and totally surrenders to the claims of the former. This situation is aggravated when students of decision-making rule out in their writings the tension between the two rationalities. By focusing on decision making from a purely technical and pragmatic viewpoint, they accept functional rationality as the primary standard of human life.

Apparently the analysis undertaken by Karl Mannheim assumed a confrontive stance in the sense that it reflects the author's libertarian urge to find means to change the present state of industrial societies. In fact he did not fully draw the consequences of his distinction. His 'relationalist' eclecticism, by which he intended to integrate all the main currents of contemporary social science, ultimately led him to bewilderment. Neither did Mannheim's concern for human freedom save him from intellectual perplexity. His classificatory endeavor of assessing and commenting upon findings in the domain of conventional social science never really allowed him to arrive at a coherent set of theoretical guidelines. For instance, in *Man and Society* sharp analysis and accurate remarks are presented, but ultimately he failed to develop an idea of social science attuned to his notion of substantial rationality.

THE FRANKFURT SCHOOL'S CRITICAL THEORY

Rationality has been one of the central concerns of the so-called Frankfurt school.[2] Its main representatives, in essence, say that in modern society rationality has become a disguised tool for the perpetuation of social repression rather than being a synonym of true reason. These authors intend to restore the role of reason as an ethical category and, therefore, as the referent for a 'critical theory' of society. Apparently they refuse

Marx's assumption that rationality is inherent in history, and that the process of modern society, by dialectically criticizing itself, will lead to the Age of Reason. They point out that what Marx did not realize is that in modern society the productive forces have gained their own independent institutional momentum, thus subordinating the entire human life to goals that have nothing to do with 'human emancipation'.

Horkheimer's and Adorno's questioning of Marx's notion of reason is a logical consequence of their analysis of the Enlightenment tradition. They see the Enlightenment as the moment in which the understanding of reason was severed from its classical legacy. According to Horkheimer, there is a theory of objective reason running from Plato and Aristotle through the scholastics, and even through German Idealism (Horkheimer 1947: 41) which emphasizes ends rather than means, and the ethical implications of the life of reason for human existence. Such a theory 'did not focus on the coordination of behavior and aim, but on concepts – however mythological they sound to us today – on the idea of the greatest good, on the problem of human destiny, and on the way of realization of ultimate goals' (Horkheimer 1946: 5). Horkheimer sees implicit in such an understanding of reason precepts for ordering human existence.

However, the Enlightenment transforms thought into mathematics, qualities into functions, concepts into formulas, and truth into statistical frequencies of averages. In other words, with the Enlightenment 'thought becomes mere tautology' (Horkheimer and Adorno 1972: 27) and reason one's 'adjustive faculty' (Horkheimer 1947: 97).[3] In the perspective of the Enlightenment the world is written in mathematical formulas, and the unknown loses its classical transcendent meaning, and becomes something relative to the available calculative capabilities. Thus Horkheimer and Adorno write: 'The reduction of thought to a mathematical apparatus conceals the sanction of the world as its own yardstick. What appears to be the triumph of ... rationality, the subjection of all reality to logical formalism, is paid for by the obedient subjection of reason to what is directly given. What is abandoned is the whole claim and approach of knowledge: to comprehend the given as such ... Factuality wins the day. (Horkheimer and Adorno 1972: 26–7).

In spite of the 'dialectical' claims of Karl Marx, who pretended to have stripped eighteenth-century rationalism of its mechanistic features, his notion of reason is very much rooted in the Enlightenment tradition, to the extent that he believed that the historical process of productive forces is rational in itself and, therefore, emancipatory. This belief, the Frankfurt school asserts, is a fallacy, and Habermas, in particular, systematically addresses himself to this question.

The 'liquidation' of reason 'as an agency of ethical, moral, and religious insight' (Horkheimer 1947: 18) would not have been consummated during the course of the last centuries without a concomitant denaturation of the philosophical language and the language used in ordinary human affairs. Divorcing words and concepts from their respective intrinsic content, the Enlightenment triggered a process of corruption of speech[4] which has led to cultural decay. Horkheimer writes:

> Language has been reduced to another tool in the gigantic apparatus of production in modern society. Every sentence that is not equivalent to an operation in that apparatus appears to the layman just as meaningless as it is held to be by contemporary semanticists who imply that the purely symbolic and operational, that is, the purely senseless sentence, makes sense ... Insofar as words are not used obviously to calculate technically relevant probabilities or for other practical purposes, among which relaxation is included, they are in danger of being suspect ... for truth is no end in itself. (Horkheimer 1947: 22)

Horkheimer sees the process of denaturation of language as a result of the deep socialization of the individual into the modern industrial system. In some pages of *Eclipse of Reason* he anticipates the thrust of what Riesman and his associates had to say in *The Lonely Crowd*.[5] Horkheimer describes the modern individual as a 'shrunken ego, captive of an evanescent present, forgetting the use of intellectual functions by which he was once able to transcend his actual position in reality' (Horkheimer 1947: 22). The modern individual has lost the capability to use language to convey meanings. He is rather able to express purposes. Accordingly Horkheimer refuses to accept the common 'behavior of people' (Horkheimer 1947: 47) in modern society as a basis for deciding the meaning of rationality. Without dissimulating his moral indignation toward modernization, he finishes his book *Eclipse of Reason* with the following statement: 'The denunciation of what is currently called reason is the greatest service reason can render' (Horkheimer 1947: 187).

The notion of rationality is also paramount in Habermas's works. He is mainly concerned with building a critical social theory as a tool for establishing the primacy of rational conduct in social life. Contrary to Weber, Habermas does not suspend ethical standards when addressing himself to the subject of rationality in modern societies. In the context of this chapter, it seems that Habermas's work becomes relevant to the extent that it deals with the following themes: 1) the restoration of the concept of an interest of reason, which although implied in Greek political thought, was made a central theme in the philosophical systems of the

German idealists; 2) a re-examination of Marx's views of history and especially his assumption that a rational society would necessarily result from the development of productive forces; 3) an inquiry into the political and psychological consequences of the grip of instrumental rationality on modern societies; and 4) the patternization of communication as a topic central to an integrative critical social theory. He leans toward a sort of integrative criticism.

Habermas delves into the mainstream of German idealism in order to examine rationality from a 'critical' viewpoint. He underlines that in Kant's transcendental philosophy 'the concept of an interest of reason already appears' (Habermas, 1971: 198). Pure reason in Kant's works has a practical interest in becoming incarnated in social life. Reason was conceived by Kant as endowed with causality. From its nature one can induce the notion of a good to be pursued in the realm of the individual as well as of social life. 'Reason prescribes an ought exclusively to rational beings,'[6] Kant said, and this thought was the whole theme of his *Critique of Practical Reason*, which, Habermas believes, contains the rudiments of a critical social theory. Moreover Kant is the root of German sociological thought in one form or another. Habermas relies on the Kantian heritage in order to develop a social theory aligned with the forgotten meaning of rationality. In one of his summations of Kant's thought he says that 'in reason there is an inherent drive to realize reason' (Habermas 1971: 201). In other words, reason has a practical interest which ought to be made effective in a society of rational beings. The problem is how to make pure reason practical in the social world. The responses to this question have varied. Hegel and Marx believed that pure reason would become congruent with the practical reason of everyday life in an Age of Reason which they assumed would be the necessary outcome of historical evolution. Habermas fundamentally questions this assumption.

After emphasizing the notion of an interest in reason in Kant, Habermas remarks, however, that Fichte gave to the question a treatment that is particularly pertinent to a critical social theory. Fichte developed the 'concept of emancipatory interest inherent in acting reason' (Habermas 1971: 198), which inspires Habermas to elaborate a typology of cognitive interests as criteria to differentiate several research orientations in the domain of science. Fichte's theory is particularly significant because it identifies rationality as the essential attribute of the enlightened human consciousness, i.e., a consciousness liberated from the dogmatism which ordinarily plagues all known forms of everyday life.

The notion of cognitive interest becomes a central tool to distinguish

among several types of science. Habermas differentiates the sciences according to their research-guiding interests, to wit: (1) 'sciences (natural sciences) whose cognitive interest is technical control over objectified processes'; (2) sciences whose cognitive interest is a 'preservation and expansion of the intersubjectivity of possible action-oriented mutual understanding'; and (3) sciences subordinated to the emancipatory cognitive interest, i.e., which are to be considered as a tool to foster man's capability for self-reflection and ethical autonomy (Habermas 1971: 309–10).

The research-guiding interest of a critical theory of society is the emancipation of man through the development of his capabilities of self-reflection. However, in the model of established social science, technical control of reality is the basic research-guiding interest. This is to say that established social science has become scientistic by assimilating the method of natural science (more on this in the next chapter). Moreover it has tranformed itself into a means for legitimizing the institutionalized control of the natural world and human behavior. Effectiveness in controlling reality becomes the common criterion of validity in both natural and social science. Habermas strives for a social science on a different basis. He points out that the 'science of man ... extends in methodical form the reflective knowledge' and 'puts forth the claims to be a self-reflection of the knowing subject' and 'of the history of the species' itself (Habermas 1971: 613).

Habermas sees himself as continuing the Marxist theory. He claims that a critical social theory has to absorb Marx's contribution and to disentangle itself from his mistakes. Indeed Marxist theory is geared toward the emancipatory interest, which Habermas's notion of critical social theory shares. However, a fundamental correction has to be introduced in Marx's view of rationality and freedom. Marx supposed that freedom and rationality would be inevitable outcomes of the development of productive forces. Habermas remarks that this assumption has not been historically validated. He says: 'the growth of productive forces is not the same as the intention of the good life' (Habermas 1970: 119). The fact is that in industrial societies the logic of instrumental rationality which enhances the control of nature, i.e., the development of productive forces, has become the logic of human life in general. Even the private subjectivity of the individual fell captive to instrumental rationality. Capitalist development imposes limits to free and genuine communication among individuals.

Marx's assumption has been proved untenable by the simple fact that

in the 'large-scale industrial society, research, science, technology, and industrial utilization were fused into a system' (Habermas 1970, 104) thus leading to a repressive form of institutional framework in which the norms of mutual understanding of individuals are absorbed into a 'behavioral system of purposive-rational action' (Habermas 1970: 106). In other words, in such an environment the difference between substantive and pragmatic rationality becomes irrelevant and even disappears. In fact the techno-industrial society legitimizes itself through the objective concealment of such a difference.

Identical in its position toward Marx is Habermas's reformulative approach to Max Weber. He explains Weber's concept of rationalization as follows: 'The superiority of the capitalist mode of production to its predecessors has these two roots: the establishment of an economic mechanism that renders permanent the expansion of subsystems of purposive-rational action, and the creation of an economic legitimation by means of which the political system can be adapted to the new requisites of rationality brought about by these developing subsystems. It is this process of adaptation that Weber comprehends as "rationalization"' (Habermas 1970: 97–8).

Habermas, however, deems it necessary to develop further the analysis of rationality, since in its present stage the industrial society is very different from the one Weber knew. Weber could address himself to the theme as a functionalist; however, today the question entails striking ethical connotations, which the theoretical effort of Habermas considerably highlights.

In a commentary on Marcuse, Habermas points out that at the present stage 'what Weber called "rationalization" realizes not rationality as such but rather, in the name of rationality, a specific form of unacknowledged political association' (Habermas 1970: 82). Moreover it seems an 'apologetical standard' (Habermas 1970: 83) in which norms of interpersonal relations in the private sphere and rules of systematically purposive-rational action become identical or lose differentiation, and therefore lead to a situation of systematically distorted communication among human beings.

The phenomenon of distorted communication has become a central concern of Habermas. He proposes a distinction between purposive-rational or instrumental action and communicative action or symbolic interaction. The first, subordinated to technical rules, can be proven correct or incorrect. The second i.e., symbolic interaction or communicative action, defines interpersonal relations as free of external compulsion,

their norms being validated 'only in the intersubjectivity of mutual understanding of intentions' (Habermas 1970: 92). A fundamental thesis of Habermas is that in modern industrial society the old bases of symbolic interaction have been undermined by behavioral systems of purposive-rational action. In such societies symbolic interaction is possible only in very residual or marginal enclaves. What keeps a society working as a meaningful cohesive order is the acceptance by its members of the symbols by which it interprets itself. Symbolic interaction is the essence of meaningful social life, and thus, to use a word of Kenneth Burke,[7] symbolicity is an essential attribute of human action. Meaning in human and social life is obtained through the practice of symbolic interaction. But in the industrial society meaning has been subdued under the imperative of technical control of nature and accumulation of capital.

A consequence of the grip of instrumental rationality on modern societies is that systematically distorted communication prevails among people. Such communication becomes 'normal,' otherwise the repressive character of social relations would become evident. Habermas underlines the effect of political and economic factors upon communication patterns. The study of the repressive character of patterns of communication prevailing in modern societies requires a theory of communicative competence. One can postulate that 'every speech, even that of intentional deception, is oriented toward the idea of truth.' If so, what are the patterns congenial to such a language? Such speculation leads to the notion of the 'ideal speech situation' and the idea of the competent speaker. In fact 'communicative competence means the mastery of an ideal speech situation.'[8] Where intersubjective relationships are reified because of social constraints impinging upon them, communicative competence is very hard to achieve. In such an environment the competent speaker is exposed to misunderstanding, not to mention also that he may be considered eccentric. Habermas points out that 'on the strength of communicative competence we can by no means really produce the ideal speech situation independent of the empirical structures of the social system to which we belong; we can only anticipate this situation' (Habermas 1970a: 144). The ideal speech situation cannot materialize unless within its adequate social context.

ERIC VOEGELIN'S RESTORATIVE WORK

From the vantage point of contemporary standards of political and social science, Eric Voegelin's work appears as heterodox, obscure, and even

upsetting. In his estimation political science as envisioned by Plato and Aristotle has never lost validity. He speaks as an expert in hermeneutics, not as a chronicler of ideas. From the hermeneutic viewpoint, what essentially matters in the classical texts is the experiences they articulate. Unless the reader engages in an effort to re-enact in his psyche those classical experiences, he cannot apprehend their meaning. The oblivion of the content of those texts which bears upon human life is more than an instance of misinformation; it is a symptom of the deformation of the human psyche and constitutes what Voegelin calls derailment. Voegelin considers the last five centuries of Western history a period of derailment and deculturation of mankind to the extent that they exposed it to a process of 'systematic confusion of reason' (Voegelin 1961: 284).

One can correctly speak of reason as a reality independent of our speech. Any attempt to speak of reason as if it were only a conventional language construct reflects a deformed state of the psyche. Reason was discovered by the mystic Greek philosophers. But this historical episode is more than an incident interesting enough to be registered in the chronicle of ideas; it rather begins a period of the formation of the human soul. With such a discovery the human soul acceded to a level of self-understanding in which it breaks the confines of the compact view of reality articulated in myth. To be sure the event did not change the structure of the human soul: it rather represents a peak moment in which man's consciousness of his psyche gains in luminosity and differentiation.

Compared with Voegelin's interpretation of classical texts, Weber's and Mannheim's statements on reason convey tenuous inklings into its nature and therefore their works illustrate cases of an arrested assessment of modern society. Without an uncompromising allegiance to reason, as Plato and Aristotle explain it, Voegelin indicates that there is no possibility of a scientific political theory. His vision of the healing process of our present ills assumes the perennial validity of the classical paradigm of the good society and rejects any kind of value-free and 'relationalistic' social science.

A rational society, asserts Voegelin, can be nothing but what classically has been conceptualized as a 'good society.' In his 'restorative' endeavor Voegelin claims that the Platonic and Aristotelian notion of the good society is by no means a historical curiosity, but a model essentially correct for evaluating any existing society. This claim does not involve a rigid allegiance to Plato and Aristotle, as if in their works the model were to be held up as a dogma. The case is rather that their understanding of

the matter is theoretically valid, although the operational problems of building a concretely good society are always bound within specific contexts. Plato himself was very sensitive to contexts and did not admit of a single paradigm of the good society. He admitted that one should be flexible enough to consider 'second, third, and forth best paradigms' (Voegelin 1963: 38) – each legitimate within limits of given circumstances.

The following elements can be attributed to the classical notion of good society, as it is being restored by Voegelin (1960).

First, a good society is one in which the 'life of reason' becomes the paramount 'creative force.' In fact, even though this view reverberates in the conceptions of the French philosophers of the eighteenth century as well as in Fichte, Hegel, and Marx, it occurs in degraded terms, i.e., all these thinkers agree that to qualify a society as rational is to assert that it is good, but from their standpoint history, not the human psyche, is the site of reason. It is precisely this misplacement of reason which leads these thinkers to dodge the issue of 'good society.'

In Plato and Aristotle one fundamental expression of the life of reason is the continuous tension inherent in man's existence as open to realms of reality not included in history. To assume that the final explanation of this tension can ever be found in a theoretical system, or that it can be eliminated with the advent in history of a 'good society,' essentially constitutes what Voegelin would consider the 'gnostic' and immanentist fallacy pervading the modern frame of mind. Rationality in the substantive sense can never be a definitive attribute of society. It is directly apprehended in the human consciousness, not by social mediation. It moves the individual towards a continuous, responsible, and arduous effort to subdue his passions and inferior inclinations. In Plato and Aristotle there is an insoluble dualism between reason and society, which itself constitutes the precondition of freedom. Any sociomorphic solution of this dualism would therefore entail a deformation of human existence.

Secondly, it results from the foregoing that a good society is hierarchical. Although men as rational beings are potentially equal, for circumstances we cannot explain they are not identically able to stand the tension implied in the life of reason. The ablest in standing this tension constitute a minority, and a society is good to the extent that this minority carries out leading political functions. Voegelin does not hesitate to speak out against what he considers the mistaken democratic feelings of the present age. Sheer egalitarianism is against the life of reason, whose intrinsic requirements alone give rise to the 'good society.' In the 'good society' social differentiation between people has to be acknowledged

and legitimized as a consequence of the diversity in the objective ability in human beings to bear the life of reason. In other words, status, wealth, race, and sex should have no place as criteria for allocation of authority and power.

A third point to be made regarding the issue under examination is that according to the classical view the 'goodness' of a society is conditioned by empirical circumstances such as resources and the size of the population. It is already implicit in the classical tradition that the state of productive forces bears upon the possibility of political equality as even a Marxian would acknowledge. Furthermore the reflections of Plato and Aristotle as to how the size of the population can affect the quality of a polity proved to be pertinent. And facts of contemporary social life, as for instance those Robert Dahl points out in the book *After the Revolution?*, bring support to Aristotle's view that beyond a certain size a society becomes prone to irrationalities of different sorts.

Finally, a fourth observation is in order, one which evidences the realism of the classical notion of a good society. Such a society can never be implemented once and for all. Its corruption starts in the very moment of its inception, since it is subject to the 'cyclical law of decline and fall' (Voegelin 1963: 39). It is not conceived as a paradise on earth, the eschatological end of alienation and contradictions between man and the world. The hope for a final, perfect, harmonious social stage is vain. In the classical conception of the good society there is no promise of a 'realm of freedom' such as was visualized by Hegel and Marx. Such promise is the essential characteristic of what Voegelin calls gnostic doctrines.

Voegelin attributes great value to Thomas Reid's view that in common sense there already is a 'certain degree' of rationality. He states that 'common sense is a compact type of rationality,'[9] and therefore social transactions based on an undistorted perception of reality are possible. If reason is part of the structure of human existence, then understanding and conversation between men is possible on the basis of their common participation in reality. Yet true, rational debate is becoming a very unlikely possibility in modern societies. In such societies the psyche of the average individual has been assimilated into the model of a closed self entirely included within mundane confines. Today man's skills for rational debate have been damaged by the prevailing language patterns, together with his assimilation into the existing social framework in which instrumental rationality has become rationality in general. In modern societies rational debate is possible only in a very few restricted enclaves. Even in the so-called intellectual milieux one is generally unable to enter-

tain rational conversation. Voegelin states that the decline of rational debate is a late phenomenon in Western history. He sees in the past a 'period in which the universe of rational discourse was still intact because the first reality of existence was yet unquestioned' (Voegelin 1967: 144).

It is significant that in Saint Thomas Aquinas's time 'rational debate with the opponent was still possible' (Voegelin 1967: 144). On this assumption Saint Thomas believed himself able to persuade pagans and especially Muslims of the validity of Christian truth with rational arguments alone. Thus in the *Summa Contra Gentiles* Saint Thomas says: 'against the Jews we are able to argue by means of the Old Testament, while against heretics we are able to argue by means of the New Testament. But the Mohammedans and Pagans accept neither the one nor the other. We must, therefore, have recourse to natural reason, to which all men are forced to give their assent.'[10]

Today we may have difficulty understanding Saint Thomas. Not only reason but also a few key words have undergone the obliteration of meaning highlighted in this analysis. Language itself has been apprehended under operational standards of efficiency, a fact which bears upon the entire realm of human existence. When viability and expedience replace truth as the overriding criterion of language, there is scant, if any, room for the persuasion of people through rational debate. Rationality vanishes in a world in which means and ends become the only reference for human actions.

SOME CRITICAL COMMENTS

All of these scholars seem to agree that in modern society rationality has become a sociomorphic category, i.e., it is interpreted as an attribute of the historical and social processes rather than a force active in the human psyche. They all acknowledge that the concept of rationality is determinative of the approach to matters of social design. Yet they all are less than sufficiently systematic in presenting their views on these matters. In their critique of modern reason they assume various postures: resignation (Max Weber), relationalism (Mannheim), moral indignation (Horkheimer), integrative criticism (Habermas), and restoration (Voegelin).

Since an appraisal of Max Weber and Karl Mannheim has previously been presented, a brief assessment of the Frankfurt School and Voegelin is now in order.

There is merit in both Horkheimer's and Habermas's works insofar as they strive to lay bare the basic fallacy of Marx's view of reason as an

attribute of the historical process. They both would question the assumption that the unfolding of productive forces would necessarily in itself lead to the advent of a rational society. Horkheimer seems to indicate that the moment reason is misplaced from the human psyche, where it belongs, and made an attribute of society, the possibility of social science is lost. Habermas emphasizes that in advanced industrial societies, the productive forces themselves ultimately are political constraints which shape human life at large. To overcome this condition Habermas suggests that room should be opened for politics and rational debate with their function of guiding the social process. Those are positive features of both Horkheimer's and Habermas's analysis.

However, Horkheimer's work is not much more than an indictment against modern society, which, while illuminating, fails to indicate where and how to move in order to find alternatives for the present theoretical and social malaise. It seems that Habermas is concerned with such alternatives, but they are presented in cumbersome, eclectic, and rather sociomorphic terms. Indeed, Habermas's notion of 'knowledge interests' (which is less original than it appears when one carefully reads Plato and Aristotle, as well as Kant) may serve to identify the reductionist bent of scientism. However, that notion itself is not completely rid of scientism, to the extent that for Habermas philosophy is absorbed in the threefold types of science he proposes. What he calls 'intersubjectivity' and 'mutual understanding' bear upon spheres of reality which necessarily escape the reach of a merely scientific approach.

His 'critical theory', understood as an integration of what he believes are valid insights found in the works of Kant, Hegel, Fichte, Marx, and Freud, seems too eclectic and is still pervaded by sociomorphic fallacies. Apparently Habermas holds the assumption common to Fichte, Hegel, and Marx that human emancipation may happen as a collective social event. In order to create the possibility of such an event, he goes so far as to propose 'the organization of processes of enlightenment' (Habermas 1973: 32) and resuscitates the Marxian idea of an enlightened mass practice. There is thus a sociomorphic overtone in Habermas's project of 'a theory designed for enlightenment' (Habermas 1973: 37) that promises existential enlightenment as a collective quality of mass conduct, when enlightenment has always been possible only at the level of the individual psyche. It is not accidental that he sees Freud's doctrine as a subsidiary element of that 'theory designed for enlightenment.' This is an indication that Habermas supports a motivational type of psychology which rules out the role of reason in the human psyche. Such flaws in Habermas's theoretical endeavor are somewhat intriguing, if not perplexing, because

he seems to have a good grasp of classical political theory (Habermas 1973: 41–81).

While all of the authors previously analyzed deserve to be considered as critics of modern reason, only Eric Voegelin contends that modern reason expresses a deformed experience of reality. Accordingly he considers it pointless merely to try to conciliate or integrate ideas and doctrines predicated upon modern reason. The case is that all such ideas and doctrines obscure the poles of human existential tension. They express an attempt and even a dream of resolving within history, society, or nature the tension (*metaxy*) constitutive of the human condition. As reason implies the awareness of this tension, reason, in the modern sense, is a misnomer.

Voegelin is, in a peculiar sense, a psycho-historian. He asserts that the classical texts are not relics to be appreciated from an evolutionary viewpoint. Rather the insights articulated in those texts are perennially valid. The human condition is not finally explained in these insights, but the experience of reality which engendered them is paradigmatic. No effort at understanding reality is permitted to rule out the critical requirements of such types of experience. It is not accidental that no definition of reason is ever presented in Voegelin's work. Significantly the work in which he most systematically deals with this subject is entitled 'Reason: The Classical Experience.'[11] Here he interprets texts, explores and expands insights, and identifies some features of the deformed experience of reality throughout history. His entire work is an attempt to assess ideas and events from the standpoint of the classical experience. Precisely in this sense, and not in Erik Erikson's sense, it is a study in psycho-history.

Because Voegelin seems to constrain himself to the role of interpreter of texts and analyst of ideas and events, the prescriptive content of his work is indeed very broad. Even his statement on the 'new science of politics' is void of immediate pragmatic concerns. It is built on the interpretation and expansion of classical insights and the critical assessment of modern Western intellectual and political history. It seems, though, hard to accept the notion that political science can be exclusively spelled out only in such broad terms. After all, Plato and Aristotle, the basic sources of Voegelin's pursuit, included in the field of political science features of everyday life which completely escape his attention. In their texts criteria of action for designing and improving existing polities are offered so that even today, on the basis of their teachings, it would be possible to infer how they would go about finding the institutional means to overcome the problems of contemporary polities. Although Voegelin's statement on political science leaves the reader very much enlightened about its classi-

cal underpinnings, it does not provide an inkling regarding operational implications for contemporary society.

Moreover his reading of modern science may be lacking in some qualifications. For instance, not all of today's scientific pursuits are 'scientistic,' i.e., unaware of the particular realm of being where natural science belongs. It seems that the type of science implied in the investigations of A.N. Whitehead, Werner Heisenberg, Arthur Eddington, Michael Polanyi, and others is very much attuned to reason in the classical sense, as will be explicated in chapter 2, and perhaps even illustrates a new degree of the differentiation of consciousness of reality taking place nowadays. In fairness it must be said that in occasional conversations and lectures, Voegelin has indicated his sense of this event.

Also to be emphasized is Voegelin's neglect in systematically defining the meaning of some basic terms of his vocabulary, such as derailment, *kinesis*, gnosticism, text, theory, orientation and motivation psychology, compactness, and differentiation. So far, terms like the above are insufficiently elaborated in Voegelin's writings.

Finally, Voegelins' view of political science needs more qualifications than he usually cares to offer, since as it is articulated so far it may sometimes appear tainted with an over restorative character. No return to any historical mode of human existence can be implied in the idea of a true creative restoration of the classical teachings. This restoration consists in making the classical thinkers, through the appropriation of their insights, active partners in the contemporary scholars' pursuit of knowledge. Restoration of the classical conceptual legacy in this case is meant only to overcome its oblivion. The classical thinkers are not to be considered infallible canonic authorities. After all one does not have much to learn from the Aristotle who justified slavery, only from the Aristotle consistent with the definition of the human being as *zoon politikon*.

CONCLUSION

In fairness it must be said that modern social science is not wrong, as long as one realizes the precarious character of its main assumptions, to wit, that the human being is nothing but a reckoning creature and the market the paradigm according to which his associated life should be organized. Indeed modern social science was construed for the purpose of liberating the market from the fetters which, throughout mankind's history up until the rise of the commercial and industrial revolution, kept it within

definite confines. What now undermines the theoretical validity of modern social science is its lack of systematic understanding of the specific nature of its assignment. For more than two centuries the narrow theoretical scope of modern social science has been the cause of its impressive operational and practical success. However, today the expansion of the market has reached a point of diminishing returns in terms of human welfare. Modern social science should therefore be recognized for what it is: a creed rather than a true science.

Today the outcomes of modernization such as psychological insecurity, degradation of the quality of life, pollution, and waste of the planet's limited resources hardly disguise the deceptive character of contemporary societies. The self-definition of advanced Western industrial societies as the carriers of reason in history is being undermined daily, and is in fact so widely disparaged that one wonders if the legitimation of such societies solely on the ground of functional rationality will in the short run continue to find believers in this world. Such a climate of perplexity may turn out to be the harbinger of a theoretical breakthrough.

This critique of modern reason is not undertaken as an inconsequential academic exercise. Its purpose is to pave the way for the development of a new science of organizations. Reason is the root concept of any science of society and organizations. It prescribes a design according to which humans ought to order their personal and social life. Throughout the last three hundred years functional rationality has bolstered the effort of centric Western populations to dominate nature and to enhance their productive capacity. This is certainly a great accomplishment. But there are now indications that such a success may be on the verge of becoming a Pyrrhic victory. The awareness of this situation is opening new avenues of intellectual pursuits.

Current organization theory gives a general normative character to the design requirement implied in functional rationality. Taking for granted the unlimited intrusion of the market system upon human existence, current organization theory is therefore theoretically unable to offer guidelines to create social spaces in which individuals can engage in truly self-gratifying interpersonal relationships. Substantive rationality postulates that the proper site of reason is the human psyche. Accordingly the human psyche is to be considered the referent for ordering social life as well as for conceptualizing social science in general, of which organization scholarship is a particular domain. The role of substantive rationality in the structuring of human associated life is the subject of chapter 2.

2

Towards a Substantive Theory of Human Associated Life

Although modern social science generally and organization theory in particular fails to distinguish sufficiently between functional and substantive rationality, they are nonetheless cardinal categories of two distinct conceptions of human associated life. It is the purpose of this chapter to distinguish analytically these two conceptions. Such an exploration is now imperative because theories of organization and social systems design exclusively predicated on the modern conception of reason lack true scientific validity. As in the critique of modern reason in chapter 1, it is also necessary to begin this analysis with Max Weber.

One may argue that when Max Weber felt that he should characterize 'modern reason' he was proceeding as a historian. Instead of assuming a substitutive posture toward classical reason as Hobbes did, Max Weber implicitly warned that in modern times a new meaning was being bestowed upon the word reason. He did not dismiss the previous meaning of reason as an anachronism. Indeed Weber as well as Hobbes wanted a type of social science entirely committed to a task peculiar to a given historical epoch. But by distinguishing between *Zweckrationalität* (formal rationality) and *Wertrationalität* (substantive rationality), Weber intimated that either one or the other could be the referent of theory-building. In fact he chose to develop a type of theory mainly predicated upon the notion of functional rationality. Although the biographical and historical background of Weber's choice would constitute an interesting and relevant matter of investigation, it is beyond the concern of this chapter. Nevertheless I submit that a substantive theory can be formulated on the basis of what Weber did not but likely would have said had he lived in the present historical circumstances.

It is Max Weber's contention that although social science is value-

neutral, values embraced by a society are themselves criteria which indicate what issues are relevant to a particular form of human associated life during a certain historical period. He would then admit that when the value premises of a certain type of associated life become themselves the factors of a collective malaise, the social scientist cannot legitimately discard them as foreign to his discipline. Rather, from Weber's vantage point, the social scientist could only focus upon those values to show their empirical consequences. The social scientist as such should not utter value-judgments since values are subjective or demoniacally founded.

Weber's position, however, is not without contradiction. If values are simply demoniacal and do not have ojective grounds, then the analysis of the consequences of their adoption by individuals is nothing but a futile exercise in abstraction. Such an analysis would make sense only if it were undertaken on the hope that the individual could be persuaded to make an objective, rational value-judgment.[1] This contradiction in Weber's position is reflected in his work and life. He pretended to have studied, *sine ira ac studio*, the syndrome of formal rationality, but nevertheless expressed his regret about the outcome of such a syndrome – a world of 'specialists without spirit, sensualists without heart' (Weber 1958: 182).

Max Weber lived in a historical context in which formal or functional rationality largely replaced substantive rationality as the major criterion for ordering political and social affairs. He took for granted such a replacement, and refused to build social science on the notion of substantive rationality. Today, however, it is more difficult than in Hobbes's and Weber's times to dismiss the viability of a substantive theory of human association because it is now evident that value relativism has led associated life into an intellectual and spiritual dead end. Accordingly the question this chapter will address is whether substantive reason should be the cardinal category for thinking about political and social matters and, if so, what type of theory would correspond to such thinking. It will be the purpose of subsequent chapters to discuss resulting emergent social structures and policy implications.

There are three general qualifications which highlight the distinctions between substantive and formal theory of human associated life.

First, a theory of human associated life is substantive when reason in the substantive sense is its cardinal category of analysis. Such a theory is formal when reason in the functional sense is its cardinal category of analysis. To the extent that substantive reason is understood as a prescriptive category, substantive theory is a normative theory of a specific kind. To the extent that functional reason is merely a definition or logical

construct, formal theory is a nominalist theory of a specific kind. Concepts of substantive theory are insights into the process of reality, while concepts of formal theory are merely conventional language tools descriptive of operational procedures. The question *What is rationality?*, which requires direct attention in the domain of substantive theory, has no role to play in the domain of formal theory; here the question is rather *What shall we call rationality?* The question would be answered in the latter case by a statement in which a combination of words[2] essentially constitutes the referent for analytic pursuits.

Second, a substantive theory of human associated life has an age-old existence and its systematic elements can be found in the works of thinkers of all times, past and present, attuned to the common sense meaning of reason, although none of them has ever employed the expression 'substantive reason.' Indeed it is because of peculiarities of the modern period whereby the concept of reason has been overtaken by functionalists of various persuasions that we now need to qualify the concept as 'substantive.' One basic finding which has resulted from the teaching legacy of classical thinkers is that it is rational debate, in the substantive sense, which constitutes the essence of the political way of life and is an essential requisite for the sustenance of any well regulated human associated life at large.

Incidentally, what the field of economics and more specifically the field of economic anthropology currently refers to as substantive theory[3] is only subsidiary to the present analysis. Today's debate between substantive and formal economic theorists refers to the nature of the economic phenomenon, the market, and its theoretical implications. Karl Polanyi, the seminal substantive economic theorist, points out that formal concepts drawn from the specific dynamics of the market are at best valid as general tools for societal systems analysis and design only in a capitalist society during a period in which the market is relatively free from political regulation. Formal economic theorists claim that those formal concepts are universally valid. Polanyi correctly states that as the economy has always been 'embedded in society',[4] the capitalist society has to be understood as an exceptional case and not as a paragon of social and economic history. The fact that this observation requires statement and elaboration is itself indicative of a peculiar historical condition. Premodern political theorists did not need to stress this point because they were never exposed to such a condition. However, they meant the same thing as Polanyi when they stipulated that man's gregarious life must be politically regulated.

The third and final qualification is that substantive theory as conceived here implies an ethical superordination of political theory upon any eventual discipline bearing upon human associated life.

In order to clarify analytically the distinction between substantive and formal theory of human associations an explication is required of the statements presented in the accompanying table. Discussion of these points comprises the rest of this chapter.

THEORY OF HUMAN ASSOCIATED LIFE

Formal	*Substantive*
1 Standards for ordering human associations are socially given.	1 Standards for ordering human associations are rational, i.e., self-evident to the individual common sense apart from any particular socialization process.
2 A fundamental condition of social order is that the economy becomes a self-regulated system.	2 A fundamental condition of social order is the political regulation of the economy.
3 Scientific study of human associations is value-free: there is a dichotomy between values and facts.	3 Scientific study of human associations is normative: the dichotomy between values and facts is a false one in practice and tends to produce distortive analysis in theory.
4 The meaning of history can be captured by knowledge which discloses itself through a series of determinate empirical-temporal stages.	4 History becomes meaningful to man through the paradigmatic mode of the polity's self-interpretation. Its meaning cannot be captured by serial categories of thinking.
5 Natural science provides the theoretical paradigm for correctly focusing upon all issues and questions posed by reality.	5 Proper scientific study of human associations is a type of inquiry in its own right, distinct from the science of natural phenomena.