

Book Review

Management and the *Tao*: Organization as Community

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A review of Leonardo R. Silos, *Management and the Tao: Organization as Community* (Quezon City, Philippines: JMC Press, Inc., 1998), 312 pp.

The author, a professor of management at the Asian Institute of Management (AIM) in Makati City, Philippines, announces at the beginning of his book, the goal of demolishing simplistic stereotypes that characterize Westerners' and Asians' view of each other:

The Occidental interest in Oriental thought must move beyond the exclusive and often condescending search for the intuitive, the esoteric, and the parapsychic, as if all it had to offer was beyond, or beneath, or against what was rational. The Oriental interest, in turn, must move beyond the apparent fixation of Occidental rationality on a philosophy of success. It is to contribute to such an encounter that we want to uncover the philosophical premises of the Oriental Occidental dichotomy which underpins preshift management thinking (p. xxi).

This overall goal is related to two questions concerning Asian traditionalism: (1) Max Weber's question: "Why did China not develop like Europe?" and (2) Tu Wei-Ming's question:

Why is it that precisely those institutions which as late as the 1960s were considered both by Asian and American scholars to be barriers to modernization now stand as the embodiment of the strengths on which are founded the international competitiveness of post-Confucian states? (p. xvi).

Silos' approach to his overall goal and the two specific questions belong to the genre of analysis associated with "deconstructionism," reminiscent of Edward Said's sociological critiques. In the Preface and in Chapter 1, the author lays out the general issues that he is concerned about, such as the project of modernity, the role of rationality and positivism in it, and the serious

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consequences resulting from the exclusion or inclusion of values, meaning, subjectivity, and basic moral considerations in the definitions of bureaucracy, science, and technology. Since the book moves at the deep level of underlying philosophies, the reader is expected to get familiar with distinctions such as "what is" (fact) and "what ought to be" (value), between nature and culture, between reason and morality, between positivism and phenomenology.

The book shows throughout that there has been no consensus even among Occidentals on how to construe Modernity and Traditionalism in relation to each other. Rejection of traditionalism has been the position of sociologist Max Weber and other positivists who equated modernity with a single-minded rationality embodied in a bureaucracy, so narrowly pursued as to exclude the relevance of values enshrined in traditional nonbureaucratic social formations. The author succeeds very well in showing that Westerners are increasingly shifting their position towards reclaiming rather than rejecting their own traditional values. So why can't Asians do the same? This question concerning traditionalism as opposed to modernity is closely related to the tension between meaningful action and value-free behavior. This tension is central to the debate over "scientific management" that narrowly focuses on people as simply a means to an end, and the "human relations movement" that takes into account group feelings and cultures.

The whole book is divided into eleven chapters, documenting the progression from 'pre-shift' to 'post-shift' views on the place of meaning and values in the social sciences. Chapters 2, 3, 4, and 5 explore a series of Occidental philosophical issues—the role of a rationalized bureaucracy in modernization (Fred Riggs), the distorting effects of positivism and representationalist theory of mind (Hume), the tension between morality and self-interest in the division of labor (Adam Smith), and the importance of a moral collectivity (Durkheim) as a counterbalance to individual self-interest. Chapters 6 and 7 constitute a parallel exploration into Oriental philosophical issues found in Taoism and the later Confucianism, with the purpose of showing the relevance of the Chinese tradition to the debate on rationality, utilitarianism, and the importance of family and community values in the modernization of economic enterprises in East Asia. In Chapters 8 and 9, Talcott Parsons and Jürgen Habermas illustrate the shift from the old goal-rationality, as they criticized the positivist position. The last two chapters are forceful attempts to reintroduce the central ideas of meaning and values to rationality, using the notions of subject and intentionality as bridging and integrating structures.

In Chapter 2 is found an extended case analysis of a study of modernization in Thailand's bureaucracy and political system. Fred Riggs' study on Thailand is important because it is an early and sustained attempt to bridge the traditional/modern polarization, through an intermediate or

transitional phase. The threefold division of traditional/transitional/modern is made to correspond to a threefold heuristic model labeled fused/prismatic/diffracted. Riggs' prismatic model was supposed to have debunked the modern/traditional polarity, but the results, according to Silos, only succeeded in proving the bias against traditional values contained in the original dichotomy. Chapter 3 is another extended analysis to establish an insightful parallel between positivism and mythical thinking. Mythical thinking is defined as a mental projection, "a *fusion* of the domains of *nature* and *culture*, an assimilation of nature to culture and culture to nature, blurring their differences" (p. 44). How does positivism resemble mythical thinking? Silos relates positivism to mythical thinking on two counts. First, positivism is completely extroverted, and is anti-reflective, just like mythical thinking. "Ancient myth was a confusion; modern positivism is an exclusion [of self-reflection] (p. 56). Secondly, positivism is like mythical thinking by its tendency to fuse several orders of knowledge; positivism pretends that the rationality of physical science can be validly extended into the domains of moral and human events. The best way to understand the myth-like stance of positivism is to recall Habermas' critique of demythologization in relation to rationality. According to him there are three attitudinal components of a mythical fusion—(1) the attitude to the objective domain, the natural world, where the laws of causality and objective science do apply; (2) the attitude to the social world and interpersonal relations where the operative factors are norms and social rules; and (3) the attitude to the subjective order of personal expressive phenomena. Positivism's position is based on the attitude to the objective domain, the realm of physical science, taken as the sole realm of rationality; the other two realms are either rejected as irrational, or subsumed under the methods of objectivist science, which is another word for behaviorism.

Chapter 4 deals with the ideas of Adam Smith as embodied in two works—*Theory of Moral Sentiments* (1769), and *Wealth of Nations* (1776). Both works have great relevance to the world of business and economics and the debate on rationality, positivism, and utilitarianism. In the *Wealth of Nations*, Adam Smith propounded the view that the pursuit of self-interest in commerce is a natural consequence of the propensity "to truck, barter and exchange one thing for another" (p. 71). The problem arises when such competitive rules of commerce are treated as universally applicable to all action in society, as propounded by the Utilitarians, as if the unity of society can be paradoxically built on the basis of competitive self-seeking. Adam Smith's earlier work, *Theory of Moral Sentiments*, is a healthy corrective to radical utilitarianism. Adam Smith "did not release economic activity from moral responsibility but assumed that economic activity must remain within both legal and moral bounds" (p. 74).

Chapter 5, on Durkheim's *Division of Labor*, continues the debate on Adam Smith's idea of individual self-interest. The debate between fact and values, of

science and morality, is consolidated in Durkheim's concept of society as a moral entity composed of facts and norms. Silos fruitfully relates Durkheim's ideas not only to Adam Smith, showing the inadequacy of individual self-interest as the basis of society; but also to Fred Riggs' dichotomy between the fused and diffracted society. Durkheim's related concepts of mechanical and organic solidarity are similar attempts to connect Tradition with Modernity.

Chapters 6 and 7 on Taoism and Confucianism are most valuable chapters for those unfamiliar with Chinese thought. Here Silos delivers on his promise to "move beyond the exclusive and often condescending search for the intuitive, the esoteric, and parapsychic, as if all it had to offer was beyond, or beneath, or against, what was rational" (p. xxi). The doctrine of the *tao* is pivotal in Chinese thought. The original insight of the *tao* is effortless and spontaneity in action that nature constantly manifests. Opposed to the *tao* is anything that is artificial and nonspontaneous. The distinction between the Taoist *tao* and the Confucian *tao* centers on the problematical human goodness or *jen*. Is goodness intrinsic to human nature? If so, compassion and virtue should be natural, effortless, and spontaneous. But experience shows that there is also evil and depravity that must be overcome with effort; and virtue must be learned and acquired through cultivation (culture) with artificial means of rituals (*li*). In general the Taoist *tao* leans towards the naturalist position, while the Confucian *tao* insists on the necessity of culture, of human effort and responsibility to perfect the original gifts of nature. The Confucian *tao* therefore, is basically socioethical, requiring a responsibility to be true to one's moral nature as distinct from and more noble than the merely spontaneous and biological.

In Chapter 7, we learn about a key formulation of Chinese thought given by Hsün Tzu. "Heaven has its seasons, earth has its resources, man has his government; in this way, man is able to form a triad with Heaven and earth. If man abandons his own part in his Triad and desires to rely on Heaven and earth, he is confounding himself" (p. 157). This triadic parameter is useful to keep in mind the necessity of continuing to understand the Modernity/Traditionalism debate. Max Weber's explanation of why China did not modernize like Europe, was that "Confucianism was a doctrine of rational adaptation to the world; Puritanism was a doctrine of rational mastery over the world" (p. 106). Silos pointedly asked, which world was Weber referring to? If he meant the physical world, he may have a point. But the Chinese did develop great mastery over the social world of human beings, i.e. that part of the triad which Hsun Tzu described as "man and his government." The Chinese passion was not a search for causality in the physical universe, but for order in the human world with its socioethical laws.

In the last four chapters, the Chinese debate over the natural and the artificial is brought forward to bear on the contemporary western debate over

utilitarianism, i.e. whether harmony in society is produced by the natural identity of interests of self-seeking egotists, or by the artificial identity of interests brought about by legislation and structured by institutions. Talcott Parsons is cited as developing the emergent shift in the social sciences from the natural to the cultural. Jürgen Habermas moves beyond Parsons by developing a more comprehensive theory of action that embraces Weberian goal-rationality, Durkheimian collective morality, Marxian system integration, and his own communicative action.

Chapter 10 documents the historical development of phenomenology and how the re-appropriation of the 'subject' and the notion of 'intentionality' succeeded in reintroducing meaning and value to rationality. In Chapter 11, "Returning Meaning to Technique," Silos brings all the variations of the Modernity/Traditionalism debate to a resounding close. He synthesizes:

The older characterization of the Orient as despotic and the Occident as democratic; the one as particularistic, the other as universalistic; the one as familistic, the other as individualist; the one as non-achieving, the other as achieving; the one as conservative, the other as progressive; the one as irrational, the other as rational ... these are facile characterizations insofar as they assign one horn of the dilemma to the Occident and the other to the Orient whereas neither is alien to either of them ... they are deficient characterizations because they conceal a more basic division dividing the Western tradition itself (p. 280-81).

Silos offers his own answer to the two central queries raised earlier by Max Weber and Tu Wei-Ming. He says:

Our analysis has yielded an answer to Tu Wei-Ming's question in the concept of intentionality but the categories we have used are not discontinuous with those of Western philosophy. Only, we have to distinguish which Western philosophical tradition we are connecting with. To define the modern simply as the diametrical opposite of the traditional has become unacceptable, suggesting the need to complement goal-rationality with communicative rationality. Reason is larger than logic and technique. The human factor and communicative rationality are by no means the monopoly of the non-Western world. Our response to Occidental reason is not an Oriental reason but a common reason, or rather, a common humanity. The rediscovery of the intentional subject has opened a path to values not as adjuncts but as organic components of action systems. But we must point out that we have moved beyond a purely *action* theory. It is no longer merely about action or behavior or processes. We have moved from questions of *doing* to those of *being*, of *subjects* who act, behave, do things (p. 280).

Finally, Silos returns to his original mission of tracing "the philosophical roots of the two major paradigms of management" not for the sake of philosophizing but for the sake of helping managers from both East and West

come to grips with emergent globalization, by empowering them with a revitalized post-shift management thinking that is holistic rather than dichotomizing. He stresses:

We have linked the formal structures of intentionality with the structures of the traditional organization by way of Confucian philosophy. The point has not been to advocate Confucian values as such but rather to extract from Confucian thought and practice the crucial role in the organization of that intentional reality we call culture, the set of common meanings and values which binds and bonds into community, the traditional anchor of the substantive core value of humanity, the tao, giving meaning to the community, initiation to which typically begins in the family. It is mainly in the way technical innovation is effectively combined with the human factor that the Asian contribution to modern management theory lies (p. 260).

Silos' book is a significant contribution to the literature on comparative philosophy, social science, and management. The reader should be warned that this is not a lightweight, easy-to-read, how-to book on management, but a substantial book that deserves to be studied by serious Western and Asian managers, social scientists, and philosophers. Its uniqueness is in being comparative and reflexive at a fundamental level.