MYTHS OF MANAGEMENT

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Overview

James March singles out four myths of management : the myths of rationality, hierarchy, heroes, and lastly, historical efficiency. Since these myths are deeply embedded in teaching and writing about management, they are generally unexamined by either managers or students of management; yet they are not self-evident.

TALK : James G. MARCH

The environment of organizations is complex. It is changing. Organizational histories are confusing, ambiguous and difficult to interpret. Those who live in organizations, or try to observe them, discover that experience generates too few observations and too little control to warrant confidence in their understandings what has happened or why it has happened. In order to cope with this situation, members of an organization create and exchange stories which allow them to interpret, communicate and, more generally speaking, make sense of their lives. These accounts are constructed on a foundation of some elementary mythic themes. These myths allow members of a community to devise interpretations of their history that make it comprehensible and permit the sharing of experience with others in the group.

It is difficult to interpret the history of organizations

Interpreting organizational histories is not trivial. The forces of history are not organized into useful experimental designs. We cannot exercise experimental control over variables. As a result, many things co-vary and their independent contributions to history cannot be established. The number of variables involved in a typical context is too great to permit reliable causal interpretations on the basis of the very small samples of cases that we observe. Moreover, our sample of observations is limited to the realizations of history that have actually taken place. We attach greater significance than is appropriate to the specific events that have been realized, rather than what could have happened. If realized history is a draw (possibly a quite unlikely draw) from a set of possible histories, comprehending history involves interpreting not only the specific realizations but also the other histories that might easily have occurred.

At the same time, individuals are limited in their ability to understand, record and remember what happens to them. We interpret what we see according to what we already know ; we record what we chose to remember ; we recall one memory rather another, according to what we expect to happen. This enables each person to confirm his expectations and reinforce his beliefs in the face of a wide variety of observations. Belief tends to be conserved.

Individual experience is framed and interpreted within a social context in which individual stories are exchanged with others. Individuals in organizations come to understand their experiences by building stories which other people can understand and believe, and upon which they can build. These confrontations among individual representations often lead to convergence in social understandings, but not necessarily to truth. The pooling of observations across numerous individuals often eliminates idiosyncratic errors, but characteristically the observations are not independent. Beliefs or shared predictions can become self-reinforcing and lead to the emergence of a false consensus. The process is one that yields agreement more reliably than it does validity.

In the area of management, stories are told and used by practitioners as well as by students and their teachers. Those stories are often contested. The founder of Microsoft is sometimes pictured in stories as an example of a brilliant inventor and talented creator, but other stories depict him as a thief and capitalist exploiter. The evolution of the stories of history involves numerous episodes of such contestations.

Two points of view concerning management stories

We can consider the relationship between the real lives of managers and the stories which describe them, in two ways : First, we can consider stories as a representation of an extra-subjective reality. Here, *reality* exists in a world outside the story and the storyteller. The stories that teachers tell to students studying management help to communicate this reality to them. Good stories are ones which mirror reality as completely and precisely as possible. They are credible to the extent to which they are consistent with existing structures, beliefs and practices. In this vision, stories are used to describe an external reality.

In the second way of looking at these stories, reality exists because individuals behave with reference to models, and conceive and live their lives as if they were acting out a story. The meaning of life only fully appears here by means of interpretations which we give to our actions with the help of stories. Some authors describe human activity as organized around scenarios. In other words, people model their lives based on stories which they believe, like Don Quixote, who decided to live his life as a knight errant and forced himself to imitate, as best he could, stories describing the life of a knight. In this view, stories create the realities of life. They structure identities, beliefs, a sense of belonging and shape the community. They give the illusions of understanding that are necessary for action. This recalls Hatchuel's and Weil's notion of the *'rational myth'*[1]. Society educates individuals so that they conform to institutions by referring to good stories which are easily and universally understood.

The foundations of management stories : Mythical themes

Management stories have a basis in language. Language is a means of understanding. However, it is not routine to say what is known, to hear what is said ,or to act on what is heard. There is a dialectic between the experiences we have in organizations and the language we employ to describe them. The relation between language and knowledge is elaborated through two conflicting views: one concerns the theory of communication and asks how language is used to convey what is known. Foucault showed how the idea of *'l'ordre des choses'* ('the nature of things'), developed in the sixteenth century, as something that could be represented by words or symbols. The second view of the relation between language and knowledge is connected more to the writing of poetry and to the ways in which natural language allows a poet to convey more than is consciously known or can be said. The first view imagines some prior existing knowledge known to the initiator of a communication and emphasizes clarity in communicating it ; the second view emphasizes the ambiguity of knowledge and the use of language to discover and transform it. Both views are important to understanding the role of management stories and story telling in the development of understandings of managerial histories.

Management stories are meant to be told to others. Stories not only need to be coherent in themselves, they also need to conform to the expectations of the public. In order for stories to be accepted, they have to be credible to their audiences. To make them credible, stories are constructed by using more elementary shared themes, or myths. A myth has been defined as *'a story, true or false, a recurring theme or a model character who is brought to public conscience by the embodiment of his cultural ideals or by the expression of deep and shared emotions'*[2]. Such myths are the basic components of management stories. Very different

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[1] *L'expert et le système*, Armand Hatchuel and Benoît Weil, Gestion des savoirs et métamorphose des acteurs dans l'entreprise industrielle, Paris, Economica, 1993, p.121.
[2] Definition taken from American Heritage Dictionary of the English Language, Boston, Houghton Mifflin.

stories are constructed using the same familiar and shared elements. It is these elements that I call *mythical themes*[3]. Our understanding of how organizations work is developed through stories based on these themes.

Four myths of management

Four myths of management seem to me especially significant. They are themes that give credibility to stories about management by virtue of their embodiment in the expectations and beliefs of audiences.

First, the myth of *rationality*, according to which actions are produced by choices based on expectations of future consequences. Actions are "explained" by reference to some consequences that are (or were) anticipated at the time of the action. Thus, a student asked to explain why he enrolled in a particular university might say : '*I enrolled in this university because I thought that it would give me the best job opportunities*'. A manager asked to explain why he arranged a merger with another company might say : '*I merged with them because I thought that it would lead to increased profitability and market value.*" The answers are socially acceptable ones, consistent with the myth of rationality. Imagine, on the other hand, if a capitalist manager explained one of his actions by saying '*I did it because God appeared before me and told me to do it.*' In a modern context, such an explanation, however conventional it might have been in the 14th century, would be viewed as strange, inconsistent with expectations about appropriate story telling. The myth of rationality gives an advantage to interpretations of managerial life that are tied to contemporary calculations of consequences. It tends to exclude, or treat as anomalies, interpretations tied to rule following, the obligations of identities, the search for meaning, or the confusions of ambiguity and contradictions.

A second mythic theme underlying management stories is the myth of *hierarchy*. The myth of hierarchy proclaims that life is organized hierarchically. Problems and actions can be broken down into elements which themselves are made up of sub-problems and sub-elements, and so on. Responsibility for carrying out a complex task can be arranged in a system of subordination where each level controls and includes the solutions and actions of the next level below. Individual responsibilities can be clearly specified and performance evaluated. The myth of hierarchy generates confidence in possibilities for maintaining control, allocating responsibility, and enforcing accountability in an organization. It is the foundation of standard forms of organizational structure and of standard procedures for distributing penalties or rewards. The myth of hierarchy gives an advantage to stories that explain organizational malfunctioning in terms of failures to define clear hierarchical control and that picture successful organizations as having orderly hierarchical problem specifications and structures. The myth of hierarchy is a mythic basis for a story theme of domination and subordination.

The third mythic theme is the myth of *heroes*. The myth of heroes celebrates the overriding importance of the distinct individual leader. Events in history are portrayed as reflecting the intentions of specific, special humans and interactions among the projects of distinct, heroic individuals. In the classic argument between Carlyle and Tolstoy, it is Carlyle and his "great man" theory that prevails as a mythic theme. The myth of heroes gives an advantage to stories that interpret organizational histories in terms of the agency of specific individuals who are endowed with extraordinary powers of understanding, vision, persuasion, and timing. At the

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[3] Claude Levi-Strauss talks about « mythèmes ».

same time, the myth of heroes puts at a disadvantage any stories that try to describe a less intentional, less heroic, less human-centric organizational history.

The fourth mythic theme is the myth of *historical efficiency*. The myth of historical efficiency is founded on a Darwinian notion of the survival of the fittest. History is imagined to follow a path leading relatively quickly to a unique equilibrium, an equilibrium determined by exogenous conditions at the outset and enforced by competition. Stories built around this theme picture the outcomes of economic history as necessary consequences of economic conditions. They tend to underestimate the possibilities for path dependence in history, where there are many quite different possible equilibria, and the difficulties in associating ultimate "fitness" with contemporary dominance. The myth of historical efficiency gives an advantage to stories that picture current survivors as possessing necessary virtue. It tends to disadvantage stories that emphasize the coevolution of organizations and their environments, the intricate relation between long-run and short-run survival, and the relative unlikelihood of experienced history.

The propagation of management myths

Research on organizations has raised serious questions about each of these myths. Rationality is a common justification of behavior, but it does not seem to be a reliably good interpretation of behavior. Problems and organizations seem not to be necessarily organized hierarchically. Organizational histories seem to be relatively independent of heroes. And history often seems to be quite inefficient. Nevertheless, interpretations of managerial histories that are built on these four mythic themes are more easily accepted as credible than are interpretations that are not. Although each of them is questionable as a description of organizational or managerial reality, they are pervasive. We can reasonably ask : Why are myths such as these accepted so generally ?

One obvious possibility is that these myths emerge progressively thanks to a natural selection of true propositions carried out on variations of existing myths. In this view, myths that survive and thrive are more likely to be true than those that languish. A story line that has been accepted for a long time and is shared by a large number of managers is likely to be true. In the long run, stories converge on the truth. Although we can point to numerous questions about the truth-value of the myths, perhaps those questions concern only minor aspects of a central tendency that is pervasive and becoming more so.

A second possibility is that stories converge because actors model their behavior on themes of stories they have heard. Myths become true, not because of natural selection on the basis of truth-value among contending stories, but because of the way that managers and others imitate the stories in their behavior. This pattern of imitation leads to homogeneity in behavior and belief independent of any necessary objective validity.

A third possibility is that beliefs and stories converge to a portrayal consistent with managerial hopes. Managers assign greater plausibility to stories that confirm their prior hopes for importance. The four myths of management all gain credibility from managers, in part, because they are consistent with a favorable self-image of themselves and humans generally. In a similar way, they gain credibility from the social system because they confirm the legitimacy of managerial positions, thus sustain the social order.

The conspicuous implication of the last two of these possibilities is that widespread acceptance of a myth is by no means a certain indicator of its truth. The same point was made

classically be Hans C. Andersen in his tale of the Emperor's new clothes. As a result, one of the roles of teaching can be to reassess the myths of management which have become part of common collective knowledge, to make students aware both of their existence and of limitations on their credibility, and to raise questions about their inevitability.

The dilemma of management teaching

A management teacher has good reason to question the myths of management, but there are well-known dangers in undermining myths. The myths may well contain some truth; and even if they do not, faith in a myth is often what gives sense to an individual's actions, encourages decent social behavior, and holds a community together.

So, management teaching involves a dilemma. Although the demands of intellectual integrity lead teachers to doubt the myths of management, the social commitment to them, requests by students for explanations and simple 'recipes', pressures from the institution, and the comforts they provide, all encourage teachers to propagate the myths. As a result of the conflicting pressures, teachers often behave inconsistently, challenging the myths at one time or in one context but repeating them a little later.

The dilemma permeates management teaching. Advocates of a conception of reality as existing independent of social representations and interpretations of it necessarily challenge the standing of myths as descriptions of empirical truth. Others, subscribing to a more social constructivist faith, defend the myths as "true" in the only sense in which "truth" is possible - in the minds of believers.

For all the reasons already suggested, teachers who consider themselves relatively open with respect to the value of myths, are likely to see myths as dubious from the point of view of empirical truth ; but even for them, that does not completely settle the matter. The "holy trinity" of the evaluation of speculations includes, in addition to truth, beauty and justice. It might be argued, for example, that the four myths of management exhibit a harmonious and aesthetic coherence, and thus are defensible on that score.

The argument with respect to justice is more problematic. On the surface at least, the rationality myth encourages a view of human as opportunistic, egoistic, and self-centered ; the hierarchy myth excuses a conception of social order built on principles of domination and subordination ; the leader myth justifies the privileges of the powerful; and the myth of historical efficiency sustains the view that victory certifies virtue. On the other hand, it is also possible to imagine that a belief in these myths allows human actors to act, that without them they are paralyzed with indecision.

Should teachers prepare students for action in everyday life by teaching them the myths of management ? Or should they teach them the limitations of the myths, thereby risking passivity induced by a recognition of the weak basis for the myths ? This is the same tension that exists between the scientist and the consultant: the former knows too much to be willing to make simple recommendations ; the latter is able to give advice largely because of his limited knowledge.

Students want teachers to help them understand the world, and that is also what the establishment expects from the university. The obvious way to reassure students that they understand the world is to portray the world as more simple than it is, as conforming to the myths of management. The teacher who resists this simplification encourages doubt about the

truth of the myths and makes students less able to live comfortably in the world as it is. Being conscious of the difficulty in determining what is true, beautiful and just encourages cynical opportunism or nihilist withdrawal.

Academic honor and the pursuit of truth demands that we question the myths, but such a course not only raises issues of what is appropriate for students. It also places a teacher at risk. Contradicting the myths of management is rarely in a teacher's self-interest. Any reasonably intelligent teacher knows that reviewers, observers, students, and higher authorities all expect a teacher to confirm what is "obvious", and what is "obvious" is ordinarily the wide spread mythic themes of stories. Failing to do so leads to fewer articles accepted, fewer consultancies, fewer students, and fewer promotions.

I do not think that myths will be challenged as much as they should, or academic honor maintained, as long as teachers act within a consequential logic. Any reasonable calculation of personal advantage will lead a teacher to propagate the myths, justifying that action by the ambiguities of truth, beauty, and justice, and the necessities of survival. In general, it is advantageous for the teacher to sustain myths of management, both because they are widely believed and because they support the system as it exists.

If teachers are to perform their responsibilities as seekers of truth and sustain academic honor, they probably need to view such behavior as outside the realm of consequential calculation. It is a matter of identity. We question the myths of management because that is what it means to be a teacher. Like Don Quixote (*Yo sé quien soy)*[4], we know who we are. It is not our responsibility to overthrow the social order, but, as teachers, it is our responsibility to record our doubts about the myths sustaining that order. As your fellow countryman, Étienne Pivert de Sénancourt , said : *« Man is perishable. That may be ; but let us perish resisting, and, if nothingness is what awaits us, let us act in such a way that it would not be a just fate. »*[5].

DISCUSSION

Question : *The way in which you criticize the rationality myth is very rational, isn't it ?*

James G. March : You're right. I am a creature of western civilization and find it difficult to avoid using consequentialist arguments – even when criticizing consequentialism. Even when talking about Don Quixote or Kierkegaard, who are representatives of another basis for action, I find myself giving consequential reasons. I apologize for that. At one level, there is no doubt in my mind that trusting someone who is worthy of trust, is not really trust but an economic calculation; that loving a lovable person is not really love but a calculation of consequences; and that believing a credible story is not really belief but consequential reasoning. In my experience, however, it's not easy to maintain such ideas, not only because of their strangeness in a social climate but also because they are in continual conflict with a

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[4] « For a knight errant to go crazy for a reason warrants neither credit nor thanks, the point is to be foolish without justification» (*que volverse loco un caballero andante con causa, ni grado ni gracias: el toque está en desatinar sin ocasion*).

[5] Obermann, letter XC (added by the author in the second edition of 1804). *«L'homme est périssable. Il se peut ; mais périssons en résistant, et, si le néant nous est réservé, faisons que ce ne soit pas justice »*.

deeply engrained consequentialism in my own soul. It is a fundamental inconsistency against which I struggle but with which I am, in most respects, rather comfortable.

Q. : *You don't talk very much about the mechanisms which allow new myths to evolve.*

J. G. M. : It's true that I emphasized the mechanisms for the convergence of myths. There are also mechanisms for divergence or variation. For example, I imagined a little hastily that by communicating between each other, people came to agree more. But it's not that obvious. Some groups form their identity by deliberately differentiating themselves from others. In this way, certain ethnic groups adopt specific rituals and subscribe to myths which set them apart from others. Additionally, an apparent stability in behavior can be accompanied by an evolution of the rules of reference or our interpretation of these rules. Finally, certain situations encourage divergence : for example, in order to get a Ph.D., it is in the interest of a history student to challenge the accepted account, or its interpretation, so that the originality which he brings to the subject is clearly apparent.

Management teaching

Q. : *Management teaching comes up against a particular difficulty. Whereas when one teaches chemistry, one teaches it to absolute beginners who know that they know nothing about it, when one teaches management, everyone has already had two prior experiences : on the one hand, the family, the unit of love, legitimacy and authority ; on the other hand, school, the unit of truth, rules and discipline. The student assumes that every management situation can be reduced to a blend of these two situations, whereas this is not the case at all in organizations. What do you think about this ?*

J. G. M. : The myths of management make organizations different from other institutions in important ways. To anyone who accepts the myths, " organizations are rational and hierarchical universes, managed by the will of superior individuals, and subject to pressure from their environment which chooses the best ones !" These could, I suppose, be called Weberian myths, the ideas that Max Weber saw as allowing societies to go beyond traditional forms to create an industrial civilization that is something different from a simple mix of family and school.

Q. : *On what basis do you judge your students ?*

J. G. M. : I think students are judged in the same way as one might judge any other piece of art. You ask, first, what are they trying to do ? That could be a statistical study, a model, or a speculative sociological or economic essay. And then you ask how well do they do what they are trying to do ? Each person chooses the game he wants to play. I have relatively little to say about that choice, but I can comment on the elegance (or lack of it) with which the game is played.

Q. : *I am lucky to be able to teach students from the best 'grandes écoles', who are certain to have an interesting job and a successful career. This enables me to expose them to disconcerting ideas, which would totally destabilize less competent students. I would like to know the standard of your students which allows you to propose such a subversive method of teaching ?*

J. G. M. : I admit that this style of teaching is aimed more at good students, but I use the same methods with all of my students. I recognize that sociology is not the same as chemistry,

economics or statistics. If you ask me what it is essential to know in sociology, I cannot give a good answer. Sociology is more a way of thinking than an established structure.

Speaker : *Isn't there, all the same, a minimum of coherent knowledge which we can teach students, including the weakest ones ? Don't we run the risk of filling them with despair by showing them how badly sustained their convictions are ?*

J. G. M. : You are entirely right. There is a lot of knowledge that is sufficiently unquestioned to be treated as essential. The question of what we should teach is not a question to be addressed primarily by consequential argument. You teach something because you're a teacher and that is what you teach. A teacher has a vocation for teaching, regardless of whether there is someone there to listen .For example, I cannot imagine a social science student who was unacquainted with the Central Limit Theorem in statistics. I believe that every student should learn to manipulate standard theories of choice, exchange, learning, evolution, mobility, and diffusion before exploring the complications. But they also need to be taught to recognize the weak basis of many personal and social "truths". I realize that if we push them too far about the impossibility of validating their convictions, we run the risk of pushing them into a nihilism which is sterile, though perhaps less so if we can simultaneously get them to read Don Quixote. We can show them that doubts are a part of life, not an end to it. We can try to communicate how life is full of contradictions, that we are able to love and hate the same thing, and that we act by showing only a small part of our preferences which varies depending on the moment. Most of all, we can communicate the joy of fulfilling an identity.

Q. : *Listening to you, one is tempted to come to the conclusion that we should immediately close all the business schools. Wouldn't that be a problem for you ?*

J. G. M. : If you mean it would be a problem for me because I might be out of a job, I should observe that I am retired, so free of such self-interested concerns. If on the other hand, you mean do I think that closing all business schools would be a good idea, I would answer definitely not. Business schools have provided a very important place for scholars to develop new ideas, particularly ideas that cut across traditional disciplines.

   Business school scholarship has been important to economics, psychology, and sociology in particular. As far as the teaching role of business schools is concerned, in my opinion, business schools are not properly intended to train people for management tasks - practical experience in business is a much better school for that - but to allow people who come out of business school to view how business is carried out and the way in which we manage business in a different light, so that business itself can be changed. I am romantic, of course, but for me students are not clients. They are acolytes. Teachers aren't employees; they are priests . Teaching is not a job but a calling. And business schools are not factories but temples.

The speaker :

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