



Beyond Self-Interest: A Pragmatistic Model of Context-Sensitive, Purposeful Value Creation

2013 AOM Annual Meeting, Orlando, FL
Session „Questioning self-interest“

12.08.2013, Dr. Christopher Gohl



Agenda

- I. **Challenge: Problems of Theories Based on Self-Interest**
- II. Solution: A Pragmatistic Perspective on Economic Action
- III. Conclusion: Revisiting the Challenge of Theories Based on Self-Interest



I. The Challenge: The Problem of Theories Based on Self-Interest

Three (of many) critiques of management theories built on self-interest

1. Inadequacy to explain phenomena of actual economic action
 2. False reliance on allegedly inevitable economic laws and corresponding limits to free human agency
 3. Without appropriate qualifications: negative priming effects on students in regard to moral and social competences
- What could be an alternative assumption of management theories to build on?
 - ✓ The Pragmatistic answer: management theory built on problem-resolution – understood as shared value creation
 - “From Self-Interest to Context-Sensitive Intention”
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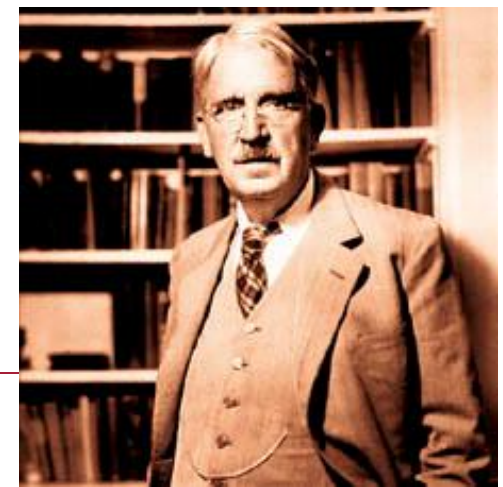
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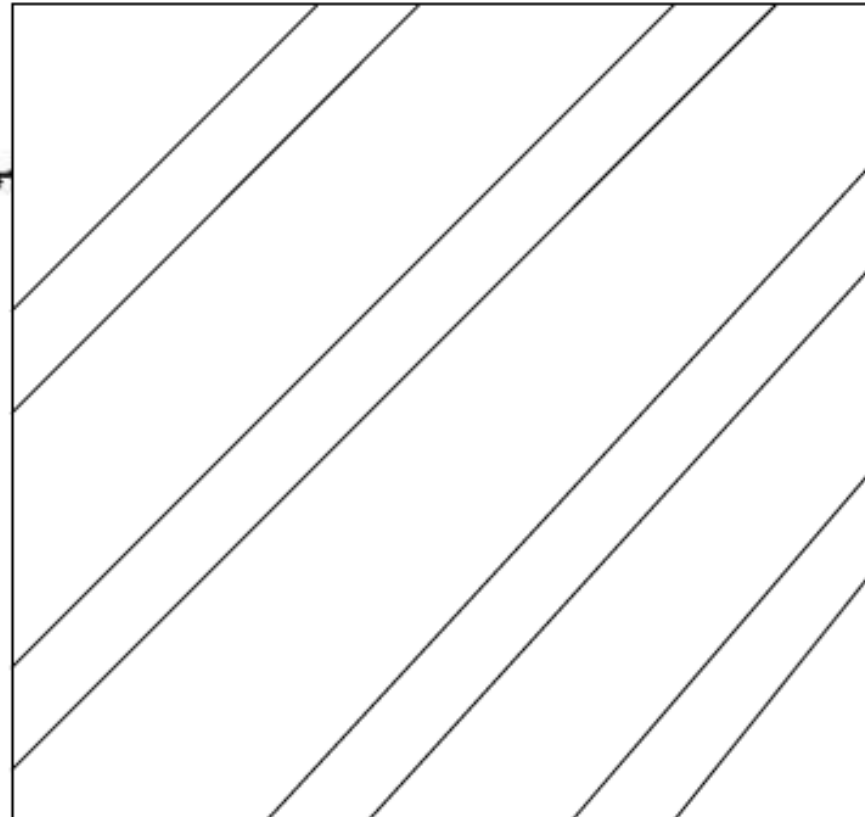
II. A Pragmatistic Perspective on Economic Action: Human Action as Creative Problem Resolution (1)

- Two Dominant Social Sciences Discourses on Human Action (Joas):
 - Normativist conception of Action – Parsons in Sociology
 - Rational Action – Rational Choice Theories in Economics and Political Science
- Third Approach that encompasses the other two approaches
 - Pragmatistic conception of action
 - Human action as creative problem resolution
 - Hans Joas, building on John Dewey





II. A Pragmatistic Perspective on Economic Action: Human Action as Creative Problem Resolution (2)





II. A Pragmatistic Perspective on Economic Action: Characteristics of the Model of „Situated Creativity“

- *Contextuality*
 - Engagement in interdependent (complex, dynamic) world
 - Human beings always *in (dialogical) relation* to others and the world – learning as acquiring practical, concrete knowledge
 - *Instrumentality*
 - Instruments / means of reorganizing the world
 - Habits / methods as main building blocks of action
 - *Temporality*
 - chronos and kairos
 - Dynamic action realizes potentials
 - *Intentionality*
 - Not: Teleology of rational goal-means-planning
 - But: Trajectory of purpose-infused action
 - *Creativity*
 - encompassing, yet concrete concept of *freedom* in action
 - Normative and practical use of reason: Judgement
 - Role for Wisdom / Prudence / Virtues
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II. A Pragmatistic Perspective on Economic Action: Creative Problem Resolution as Value Creation (1)

- Efficient and effective resolution of problematic situations, which are transformed into unproblematic situations?
 - Creating value!
 - Standardizing solutions for recurring problems?
 - Scaling products!
 - Balancing creativity & change with standards & stability?
 - Peter Drucker's task for manager!
 - Resolving problems collectively?
 - Ed Freeman's stakeholders create shared value!
 - Procedures of situated creativity, guided by intention?
 - Henry Mintzberg's strategy as process!
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II. A Pragmatistic Perspective on Economic Action: Creative Problem Resolution as Value Creation (2)

- Reorganizing situations until there is a business case?
 - (Social) entrepreneurship!
 - Experimental problem resolution?
 - Design Thinking!
 - Responsiveness to context of social, ecological, and cultural concerns?
 - CSR!
 - Innovative action which is sensitive to context?
 - Sustainable development!
 - Action-based learning?
 - Project learning in management education!
 - Exercising comprehensive (prudent) judgment?
 - Management Ethics!
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III. Revisiting the Challenge: The Problem of Theories Based on Self-Interest

Three critiques of management theories built on self-interest

1. Inadequacy to explain phenomena of actual economic action
 - ✓ Resolved through a comprehensive model of economic action in alignment with many existing theories

 2. False reliance on allegedly inevitable economic laws and corresponding limits to free human agency
 - ✓ Resolved through a theory of creative and purposeful action that builds on a comprehensive conception of human freedom

 3. Without appropriate qualifications: negative priming effects on students in regard to moral and social competences
 - ✓ Resolved through a theory that already accounts for innovative approaches to management education
 - Babson
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Thank You.

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