

Theological underpinnings and outcroppings in Organization and Management Theory¹

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Introduction

The goal of this chapter is to introduce readers to the literature that describes sacred dimensions inherent in concepts, terms and theory associated with organizations and organizing. In particular, the chapter seeks to delineate the “hidden” theological underpinnings and outcroppings associated with mainstream Organization and Management Theory (OMT).

The chapter will proceed in three parts: 1) describe how contemporary mainstream OMT has been underpinned by a Protestant theology; 2) explain that this theological underpinning has long since been secularized and rendered invisible, leaving society caught in a materialistic-individualistic iron cage; and 3) speculate how theology may hold the key to escape the iron cage, identifying implications for future research. As we will see, these three parts are consistent with Max Weber, a father of Organization Theory who is still one of the most influential and cited scholars in organizational studies generally (Miner 2003) and a leading philosopher of moral management (Clegg 1996) and, even as an agnostic, remains the most frequently cited classic scholar in the literature dealing with faith at work (e.g., Gundolf and Filser 2013).

Contemporary OMT has been underpinned by a Protestant theology

According to Weber, suffering and salvation play a central role for understanding the origin and on-going development of religion, and people’s specific understanding of salvation in turn informs how they organize and manage social functions, and vice versa (Kalberg 2001). In

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Weberian terms, the theology associated with a particular understanding of salvation is an example of a “substantive rationality” (e.g., values-based rationality), which in turn gives rise to a related “formal rationality” (e.g., a coherent set of organizing principles and rules that are consistent with a particular theology).

Dyck and Wiebe (2012) contrast and compare the meaning of salvation across the world’s leading religions, and then trace how changes in the meaning of salvation within Christianity over the past two millennia have given rise to corresponding new organization practices and forms. For example, in terms of three key dimensions of salvation—modality, instantiation, and whether the locus of ethics is personal or social—during the era of the early church (first century) Christians viewed Jesus as a role model (vs a sacrifice), salvation was seen as instantiated in this world (vs in the after-life), and there was a social locus of ethical activity (e.g., inclusion of social outcasts). This was associated with organizational forms like the Jerusalem Love Community (Gotsis and Drakopoulou-Dodd, 2004), where members shared financial resources and shared meals as equals without regard for social status, unheard of in that time (Dyck 2013). In this regard, it is noteworthy that the word “company” literally means to eat bread (*panis*) together (*com*) (Höpfl 2000). The counter-cultural implications for OMT—including organizational structure, strategy and leadership—of a first-century understanding of Jesus’ socio-economic message are described in Dyck (2013).

The first major shift in the Christian understanding of salvation occurred after Constantine and during the Middle Ages, whereupon the modality of salvation became Jesus’ sacrificial death, instantiation occurred in the after-life (that was the goal of performing sacraments), and the locus remained at a social level (*extra ecclesia null salus* – “outside the church there is no salvation”). In terms of implications for OMT, the theology of this era was associated with the establishment of monasteries and the development of formal rationalities like St. Benedict’s rules

which foreshadowed the 14 principles of management Henri Fayol developed 15 centuries later (Kennedy 1999).

A second major shift in the understanding of salvation, and the one of greatest relevance for understanding how theology has influenced contemporary OMT, took place during the Protestant Reformation, and is the focal point of Weber's (1958 [1905]) "The Protestant Ethic and the Spirit of Capitalism." While there is considerable debate about details in Weber's (1958 [1905]) analysis, widespread support remains for his overarching argument that a particular Protestant theology helped legitimate and give rise to the spirit of capitalism, and by extension informs contemporary OMT (e.g., Dyck 2013; Golembiewski 1989; Herman 1997; Jackall 1988; Nash 1994; Naughton and Bausch 1994; Novak 1996; Pattison 1997; Pfeffer 1982). In particular, Weber (1958 [1905]) argues that the theology (substantive rationality) of early Protestant leaders like John Calvin and John Wesley can be seen to support two fundamental ideas—namely, an emphasis on individualism and materialism—that characterize capitalism and contemporary OMT (formal rationality) (Dyck and Schroeder 2005).

Weber traces the contemporary idea of individualism back to the Reformation's idea of "calling," where everyone's salvation was dependent on them fulfilling their ethical obligations in their everyday work life. Individuals could no longer be saved by the church, by priests, nor by sacraments (which were necessary, but not adequate for salvation). Weber saw this individualism as "the absolutely decisive difference" between Protestant theology and Catholicism (Weber 1958 [1905]: 5). Others concur: "One could hardly have placed a more radically individualistic doctrine at the center of one's economic ethic" (Frey 1998: 1575).

Weber argues that materialism was a second defining feature of the secularized Protestant Ethic. Weber cites John Wesley's description of how Protestant theology leads to materialism: "religion [that is based on individual calling] must necessarily produce both industry and

First, Weber argues that the OMT idea of specialization is underpinned by a Protestant understanding of brotherly love:

“[S]pecialized labour in callings [is] justified in terms of brotherly love . . . [which] is expressed in the first place in the fulfilment of the daily tasks . . . in the interest of the rational organization of our social environment . . . [T]he division of labor and occupations in society’ was seen as ‘a direct consequence of the divine scheme of things” (Weber, 1958 [1905]: 108–9, 160; cited in Dyck and Schroeder 2005: 708).

Second, Weber suggests that the OMT idea of centralization is undergirded by the Protestant understanding of “submission.” The fact that some people have more power than others (e.g., a managerial class versus a working class) is “a direct result of divine will” (Weber 1958: 160). Note also the theological meaning embedded in the very idea and word “hierarchy,” which etymologically means sacred or priestly rule (*hieros* means “what is holy”, *hierous* means “priest”, and *arkhe* means “rule”) (Höpfl, 2000: 315). Aquinas believed that earthly hierarchies among people mirror heavenly hierarchies among angels, and more recently Agamben (2011) pointed to angelology as an antecedent of administration. Taken together, it has been argued that “... economic theology makes, through the trinitarian *oikonomia*, administration and governance possible, and creates power structures” (Sørensen, Spoelstra, Höpfl and Critchley, 2012: 273).

Third, building on this, the OMT idea of formalization was based on a Protestant understanding of obedience which placed emphasis “on those parts of the Old Testament which praise formal legality as a sign of conduct pleasing to God” (Weber 1958 [1905]: 165).

Fourth, Weber sees the OMT concept of standardization as arising out of Protestant theology’s emphasis of not conforming to the idolatrous patterns of this world: “[T]he repudiation of all idolatry of the flesh” serves as an “ideal foundation” to undergird the “powerful tendency toward uniformity of life, which to-day so immensely aids the standardization of

production” (Weber 1958: 169).

To summarize thus far, the influence of a particular Protestant theology can be seen to have undergirded both the larger materialistic-individualistic socio-economic context of OMT, and also the four fundamental principles of contemporary organizing. In addition, the influence of theology is also evident in contemporary strategic management theory and practice. For example, the secular strategy literature describes how managers are “called” to set the “mission” and “vision” of the organization, ignoring the obvious theological heritage of these terms (Dyck and Neubert 2010). A “vision” used to be something given to prophets, not something used to make profits. And perhaps the most famous religious mission statement comes from what has been called Jesus’ Great Commission: “Go therefore and make disciples of all nations, baptizing them in the name of the Father and of the Son and of the Holy Spirit, teaching them to observe all that I have commanded you” (Matthew 28: 19-20a). Contemporary OMT is more likely to have the CEO, who has all the authority in a company, challenge organizational members with a paraphrased mission statement: “Go therefore and make customers in all nations, selling them our goods and services in the name of capitalism, teaching them to observe all the best management practices as I have commanded you.”

Finally, scholars have argued that unspoken theological presuppositions often influence OMT at a more abstract level. For example, Peter Drucker’s writings about management have been associated with a theological understanding of human nature, influenced in particular by Reinhold Niebuhr and Søren Kierkegaard (Maciariello and Linkletter 2011; Miller 2015). For a more general example, it has been argued that common understandings of entrepreneurship have a theological narrative as sub-text, where entrepreneurs are viewed as miracle-working saviours of humanity, perhaps especially in failing economies (Sørensen et al. 2012). At an even more general level, economic work has been imbued with theological meaning simply via

understanding that God can be seen to be act on Earth (e.g., God the Father is incarnate in Jesus the Son, who was concerned with the administration of goods and services producing organizations; Agamben 2009; Dyck 2013; Sørensen et al. 2012).

In sum, “organization studies, despite its appearance of being a ‘proper’ social science, is already theological” (Sørensen et al. 2012: 270).

Theological underpinnings of OMT have long been secularized and rendered invisible

Already a century ago Weber recognized that the “individualistic” and “acquisitive manner of life” that characterizes the modern economic order had become secularized and “no longer needs the support of any religious forces, and feels the attempts of religion to influence economic life [to be] an unjustified interference” (Weber 1958 [1905]: 72). In what may be the best-known metaphor in the social sciences, Weber suggests that, as a result, humankind has become encaptured in a secular materialist-individualist “iron cage.”

For the most part, contemporary scholars seem keen to ignore the fact that OMTs formal rationality is based on a particular (theologically-informed) substantive rationality, and they wrongly present OMT as a morally-neutral theory that is objective and uncontestable (e.g., Gayá and Phillips 2016; MacIntyre 1981; Roberts 2002: 305). While some OMT scholars recognize the folly of this myth of value neutrality—“As Weber pointed out, the value-laden nature of assumptions can never be eliminated”—they are also quick to lament that: “Unfortunately, theorists rarely state their assumptions’ (Bacharach 1989: 498; see also Calas and Smircich 1999: 666).

In particular, due to secularism, contemporary scholars seldom discuss the theological underpinnings of OMT (e.g., Ashforth and Vaidyanath, 2002; Mitroff and Denton, 1999; Pattison, 1997, 2000). Miller (2015) describes secularism as an Enlightenment ideology that excludes theological expression from public debate and in social life. He argues that even with

the growth of research in organizational studies in the areas of spirituality and religion (e.g., Tracey 2012), nevertheless this literature has for the most part avoided *theology* per se: “Secularism is a defining ground rule for participation in scholarly debate and demarcates a boundary around the academic field of management and organization studies that marginalizes theological perspectives” (Miller 2015: 276).

Of course, there are exceptions to this. A recent literature review, which searched 32 secular business journals, found 83 articles that focused on what at least one of the world’s 5 largest religions said about OMT: 7 articles looked at Buddhism, 46 at Christianity, 21 at Confucianism, 1 at Hinduism and 4 at Islam (the remaining 4 articles considered multiple religions) (Dyck 2014). About half of the studies—including all 5 religions—described how their sacred writings support the mainstream materialistic-individualistic paradigm. Taken together, these articles were arguing that the formal rationality underpinning contemporary OMT was consistent not only with Protestant theology, but also with the theologies (substantive rationalities) of other leading world religions, thereby challenging Weber’s idea that the Protestant theology is unique (e.g., along the lines of Novak’s “The Catholic Ethic and the Spirit of Capitalism,” 1982). In contrast, the other half of the articles that used sacred scriptures offered counter-cultural theologies (substantive rationalities) that challenged mainstream OMT (formal rationality). This brings us to the next section.

Theology as key for escaping OMT’s materialistic-individualistic iron cage

Weber foresaw the theological turn, and its possible role for facilitating escape from the iron cage that he associated with: “Specialists without spirit, sensualists without heart; this nullity imagines that it has attained a level of civilization never before achieved” (Weber 1958 [1905]: 182). He recognized that, even though the contemporary materialist-individualist paradigm would give rise to unprecedented financial wellbeing, its failure was inevitable due to its inherent

meaningless (“the pursuit of wealth, stripped of its religious and ethical meaning, tends to become associated with purely mundane passions”) and/or ecological factors (it might remain “until the last ton of fossilized coal is burnt”).

For Weber (1958 [1905]: 182), the best way to escape from the iron cage is via “entirely new prophets” or “the rebirth of old ideas and ideals.” For Weber, because of their substantive rationality, religious ideas “are in themselves, that is beyond doubt, the most powerful plastic elements of national character, and contain a law of development and a compelling force entirely their own” (Weber 1958 [1905]: 277-78). Just as a Protestant theology had played an important legitimating role in replacing the previous paradigm with the current paradigm, so also today’s secularized OMT would most likely be replaced via an alternative theological formally rational OMT. This argument is echoed in MacIntyre (1981: 263), a more recent leading moral philosopher, who suggests that the best way to overcome the “bureaucratic individualism” that characterizes OMT’s contemporary formal rationality is via developing “local forms of community” associated with new and “doubtless very different” prophets.

The idea that theology can help to escape the status quo is also evident in the wider OMT literature. For example, Gary Hamel (2009) convened a group of leading management scholars and practitioners—including C. K. Prahalad, Chris Argyris, Eric Abrahamson, Henry Mintzberg, Jeffrey Pfeffer, and Peter Senge—to discuss how to escape what he calls the Management 1.0 paradigm (which has characterized OMT for the past century) and replace it with Management 2.0 (which serves a “higher purpose”). Hamel explicitly notes to the merit of using “theology” to help develop Management 2.0.

Such a transformative agenda is also very evident among OMT scholars who explicitly talk about a “theology” of management and organization (e.g., Dyck and Schroeder 2005). For example, Sørensen et al. (2012: 272) propose that “Theology of organization” should aim “at

working with and working on theological concepts that problematize or oppose contemporary forms of organization,” and Gayá and Phillips (2016) draw on liberation theology to develop counter-stories that can help save humankind from socio-ecological crises. A review of ten years of publications in *The Journal of Biblical Integration in Business* found a similar counter-cultural theme (Dyck and Starke 2005).

Perhaps the most intriguing opportunity to reinfuse an understanding of *theology* into organizing and management *theory* is to recall that the two terms are etymologically related; both are linguistically rooted in an understanding of God (“theo,” related to the Greek “Zeus”). However, whereas the original understanding of *theoria* (theory) had a focus on direct experiential knowledge of the divine, this has been removed from a contemporary understanding of theory, thereby limiting the development of OMT even within research streams like Spiritual Leadership Theory that would seem to beg an emphasis on *theoria* (Case, Simpson and French 2012). Contemporary theory emphasizes *ratio* (reason, active logical thought, examination and measurement, definition and drawing conclusions) rather than *intellectus* (being actively receptive to allow the soul to conceive that which it sees, embracing a sense of “situated connectedness that is beyond words, conception and seeing”) (Case et al. 2012).

This difference between theory and *theoria* is not unlike the difference between theological beliefs versus faith. Theological beliefs are akin to theory, showing how various concepts fit together to form a coherent understanding of God. In contrast, faith and *theoria* are more attuned to relationships and interconnectedness with the divine and with the larger community. This is consistent with a first-century biblical understanding of faith, where the emphasis was not on assenting to particular beliefs, but rather faith was understood as describing relationships with the divine and with others (Morgan 2015; Horrell 2016): “it is time to retrieve the early Christian usage of faith as comprehensive trust, and Christianity as a way of life not a

system of beliefs. At root ... faith is a relationship, not an opinion” (Cox 2017: 80). Such a relational understanding of faith is also evident in other religions, such as Buddhism (e.g., Dyck and Purser 2017).

Future research may want to add to first-person accounts of how faith and *theoria* can and has influenced scholarship in this field (Dyck and Purser 2017; see also Sandelands 2003), and develop “Organization and Management Theoria” (OMTia). Research suggests that OMTia may be associated with escaping the iron cage; for example, each of eleven empirical studies found in the literature that examine managers who seek to be open to divine knowledge suggest that their doing so makes them less materialistic and less individualistic (Dyck 2014).

The challenge for OMTia scholars is to manage the paradoxical tension between religious experience and OMT. As Weber (1958 [1905]: 233) notes, religious experience is “of the greatest practical importance,” even though it is irrational and, in its highest form, incommunicable (religious experience “cannot be adequately reproduced by means of our lingual and conceptual apparatus”). Weber goes on to note that people’s interpretation of their religious experience is informed by theory (e.g., theology, OMT). In short, this is a complicated endeavor. Perhaps a key is to find examples of OMTia that are already being manifest in the practices of actual goods and service producing organizations (MacIntyre 1981: 263), and then study those. A good place to start is the more than 750 businesses associated with the Economy of Communion, which grew out of the Catholic Focolare movement (Gold 2010). For example, rather than place a primary emphasis on profit-maximization, firms in the Economy of Communion emphasize reducing negative socio-ecological externalities. And instead of fostering individualism, they promote participative decision-making and establish cooperative rather than competitive relationships with stakeholders. To enhance community well-being, they deliberately recruit new hires from vulnerable or marginalized populations and pay a living wage (note that these are all practices

consistent with an approach to OMT based on “Social and Ecological Thought,” described in Dyck, Caza and Starke, 2018).

To conclude, OMTia scholars seek to develop OMT that is informed by (and informs) religious experience, knowing that this is challenging and possibly unattainable. But failing to do so means that OMT will be *a-theoria*-tical, and perhaps destined to remain imprisoned in the iron cage.

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