

# **Mgmt 699 – Business Ontology: Overcoming Limitations to Enterprise Knowledge**

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## **Reamble:**

Education in American business administration as acquired via an MBA standard worked well in the last century. It supported and accompanied US enterprises in developing world-renown industry leaders. The recipe for success seemed unquestionable. So much so that the recipe was applied in some European and Asian schools of business. Relying on what was known, to accomplish what was thought to be needed, via case studies coupled to ritualized OR and HR methods led many to become arrogant about the recipe. Yes, there were critics, but the more reflective<sup>1</sup> among these never quite believed that such success could result from so little knowledge.

None-the-less, few wanted to deter the operations of this “golden goose” by looking into the egg production. As long as 19<sup>th</sup> Century presuppositions of hierarchy, control, machine metaphors, unlimited and passive nature, and ruthlessness of decision making seemed sound who should worry? Even via a shift from producing goods to providing services these presumptions seemed sound. More important than modifying new presumptions was finding a new business idea beyond the completion of service provision. Given this, the masters in business administration could continue to concentrate on turning out organizational administrators. While they were encouraged to fancy themselves as business managers and leaders they were mostly trained to administer business as usual. This situation will be hard to change as long as the measures of success are quoted in the Queen’s English.

Central to the current B-School educational philosophy is an extensive reliance on the central idea of American pragmatism and its frequently tautological logic. Courses taught as separated and segmented functional areas of business as analysis rely on this American version of 1930s pragmatism, simply stated as: “if it works, use it.” Nay Sayers, who sought a deeper understanding of business in the systemic connections within and between functional areas, and ultimately to the customers, were seen as mostly a waste of valuable time. Business should instead concentrate on its PR claims to efficiency as the holly grail. In 2007 cracks were appearing in this belief system.

The arrival of a changed future is now beginning to shock most involved in business management. It looks like the shock will grow in your professional lives. The “just too late” professors in business are continuing with their studies of business as usual, although a few have been pontificating about elephants, dancing, edges, strategic escape and new management methods for old dummies. Most professors revere and

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<sup>11</sup> The most thoughtful of these include Russell Ackoff, Peter Drucker, Eric Trist and their colleagues that relied on a systemic prism to see long term dilemma in day to day empiricism of organizational difficulties.

worship the ideology of CEOs. Even they, with their free time for research avoid the great promise seen not in headquarters but at the edges of business transactions.

None-the-less, serious questions are now emerging with the rule of “when it works use it,” when it obviously isn’t working. We need: 1) better practices and 2) improved philosophies. This course is organized to address these two items and think about what to do about business as usual. We could begin by examining if the current 21<sup>st</sup> Century responses to 20<sup>th</sup> Century problems with 19<sup>th</sup> Century philosophies is working.

This provides the basis for questioning the MBA recipe. Guest lecturers will be visiting the class to explain how those who manage the companies that once relied on MBA are getting more skeptical. For them, the conditions of success have been changed. The response of different business education programs has been varied, but of limited innovation and success. The tendency has been to fight against the philosophical and the general, and thus to focus on something practical and specific. In our school this has led to a call to “get serious and begin to focus on the principles of “management tech.” The results of doing such would seem to be unhelpful to all involved. Except for making the school of business a companion for the weak sister of engineering, known as “engineering tech,” it would accomplish little more than creating unemployable graduates.

Management tech harkens back to the misplaced dreams of Frederick Taylor. As such those favoring management tech, or tech management need to urgently do a rewrite of the historical record surrounding Taylor’s dismal ideas. Perhaps this can best be done by the many provosts of tech based universities who are uninformed about business and engineering, yet have extra time to invest in doing something that will once again return management to the quantification of the qualities of human relationships in business. Since most of these provost come to us from a by-gone version of engineering this system slippage is understandable, and perhaps even forgivable.

Other business programs have decided to avoid the impeding problems by “going global,” but most of what they conceive is an even more embarrassing version of the continuation of American business education arrogance. This is where American schools continue to teach the same American based principles as IB, but parade it as international. The product of IB in US management programs is mostly to train missionaries for the US belief system. This seems similar to the aspirations of early Christianity.

Meanwhile, the logic of American business as usual is leading to less business. A few of the leading business US B-schools see that they have lost their lock on having the keys to successful enterprise development in the world. The recent retreat of ten of the eleven top business programs from the US closing down their Beijing EMBA programs, since even the US firms in Beijing no longer found them relevant, is a key indicator of this learning. Leading programs are again in quest of an innovation pool, yet they continue to teach ideas on innovation killing in the classroom; e.g., quality improvement via stamping out the variation that by the way is essential to innovation.

Incredible opportunities to reshape the definitions of success and reinvent businesses practices that can offer value to those who would seek improved human well-being. Only business as usual seems to offer the path to pessimism. Today’s challenges are unlike any we have historically prepared for. Business models need radical adaptation to fit current and emerging conditions. Under conditions that are unstable and

discontinuously unstable we cannot rely on our father's values, or perhaps even our mothers. The instability is likely to grow in the foreseeable future.

Current levels of ambiguity and instability might well be attributed to our earlier (and badly informed) responses to more stable business environments. This notion, "that we have met the enemy and they are us," is of course a controversial argument to make, and most of my more egocentric colleagues go for cover when I make it. Previously I passed out a book chapter to illustrate the thesis. This was the 80s article on why the myths that guide America are due for a rework.

In 1980 there was a widespread debate about the availability of oil. The predominant argument was that there would always be oil but that the major oil companies were manipulating its price. I argued that there would always be oil, it's just that the last barrel would not be affordable, and while Exxon could and would manipulate price in the short term, that such issues were a smoke screen for more important concerns. I argued how embracing higher prices in the eighties would be a good idea to help us make a transition out of oil while we still had a lot of it, and besides, if energy became cheaper we would face even greater problems for the health of the planet from its expanded use. Anyway, these strange and depressing ideas were removed from discussion. In 1981 a "new American leader" rode into the scene to restore "American optimism" and restore the 19<sup>th</sup> Century business model. His advisors argued that, with a loan (an Adam Smith idea), we could throw a big party and jump start the economy. We were instructed to simply forget issues of energy and environment, and the pessimism they implied. One of his most noteworthy comments went something like: "Computer chips or potato chips? Who cares which we make, as long as we can make one of them." Real American's liked what they heard. Let the good times role. Party time. Wow.

Business development did rather well during this stage, at least until about 1986 when two difficulties became apparent: a) business expansion had relied on a \$5 trillion loan from our allies, and b) made extensive use of an enterprise model where expansion would be based on imports, and servicing them, and not concerned about goods exports and economic balance. The next five years were pretty tough.

From 2001 until 2007 we threw another version of the same party. Now, twenty-eight years after the first attempt to feel good by redoubling our efforts after loosing sight of our direction, we have a hangover from "party time." Our current and growing \$9 trillion loan obligation, plus interest payments added to international skepticism about our values, models of financial management and general conduct of business is troublesome. They who argue we remain the envy of the world must not have a passport. Adding this to the steadily growing difficulties in selling US designed and produced goods and services to an unappreciative world, even with a greatly reduced currency value, poses even greater troubles. Services, where we are reportedly quite strong, are being perceived as more marketing than service. Even if the above is a significant exaggeration, and I hope it is so, we have some great challenges. The American tradition of business, the one we have come to know and revere, and that we inculcate via our teachings in schools and churches, is clearly endangered. New models are needed.

IMPROVING KNOWLEDGE: HOW TO LEARN WHAT YOU DON'T KNOW

Business innovation will arise from new knowledge and methods for preparing today's business students to be leaders in responding to tomorrow's surprises. Chances are that these will result from two sources: heretics to the US business system or thinkers in the business systems of other countries. Behind this course is a hope that change can arise from people like you, although early feedback from one of the prior version of this course point out that this might not work. Let's see how it goes the third and last time this course will be given. Perhaps we need some rude experience from our economic systems to see the light. Or, perhaps, we need to perceive that it's too late before we respond to demonstrate that it's not. Regardless, what is the intent of the MBA and how do you rationalize its content?

Graduates of an MBA program were never intended to be experts in sociology, math, science, philosophy, languages and economics but only to acquire sufficient doses of each so that they might understand enough to be able to weave together a viable business fabric that could be relevant to each situation. An MBA graduate from a good school could traditionally do this in a way that reassured. In some instances their skill sets and abilities were pretty impressive. Contemporary business leaders that hire MBA are no longer very impressed. Their criticism is that graduates lack skills in dealing with surprise, ambiguity, complexity and contradictions, and the salary level they ask for seems more impressive than their problem management skills. I think this second issue is called arrogance and it may actually be behind the first issue. The Feb 4<sup>th</sup>, 2008 issue of Business Week reports that CEOs believe part of the blame for this rests with an extensive reliance on the Harvard case method. I have held this same point of since I started teaching in SOM in 1991, even though repeated attempts have been made to get me to see the value of cases. At other schools where I teach management I have never used a case, nor been asked to.

The premise of this course is that while some of the blame can clearly be placed with case method pedagogy and the intellectual laziness it encourages in teachers and students (a bit like distance learning as it's mainly offered) the problem extends well beyond case method. Realizing this is heresy of the worse form, I think there has been too much reverence given to the empirical over the rational. During the course we will try to understand why and how this has happened and why it disables business graduates that must operate in unstable environments. Relying on experience for learning is nice, and fun, but is perhaps the most inefficient means to learning known to the species. If we were immortal the extensive reliance on experience would make some sense. Since most of us are mortal we need to be a little more expansive and creative in our ways of learning. People say the MBA stands for Mentally Below Average for several reasons; perhaps this is the main one. We need to get over our adoration of experience, yet not return to irrelevant rationalism. This course is an attempt, perhaps the only one in the US context, to find a better relationship between the strengths of reason tied to experience, not one have disdain for the weaknesses of the other.

As suggestion before, MBA graduates were placed on pedestals in the late 1950s. but by the mid-1970s serious cracks developed in their responses to serious challenges. Surprise and uncertainty associated with such items as energy limits, environmental dislocations and consumer anger surfaced. Management responded quite badly. Detroit built larger autos, GM built larger top loading washing machines, and the military tried to market its winning of a losing war. All of these mistakes were helped via operations models

designed by the “best and brightest” management thinkers. Finally, the challenges were put on a lay away plan and labeled as “contingencies.” We would pick them up later when our OR methods had been “upgraded” to accommodate more varied multivariate analysis that could clarify the causal relations. The leader of OR model development left the field at this time in some disgust. He moved his educational program, at the Wharton School, on to preparation for mess management. While his school soon became ranked as the best management school, the reasons went largely unnoticed by general management education. When mainstream schools finally softened their dependency on OR they move into teaching strategic thinking, which would eventually become an even larger problem for business schools and their graduates.

In 2000 the situation of management was dire. Some of the leading educational programs responded with attempts at innovation, but mainstream programs simply lowered their heads, and their admissions requirements, and waited for the return of their “customers.” Customers did return in 2005, but now armed with higher expectations and lower tolerance for the irrelevant. Business school deans were asking what is happening here? Just as we find a way to respond to one set of impossible challenges an even more impossible set pops up. I have argued that it might be that our responses to solving the earlier difficulties ends up creating even greater future difficulties, etc. This is obviously not a popular stand to take. I was recently kicked out of an Oxford book writing project on the future of management for writing a chapter on my thesis.

Clearly, the traditional MBA training abhors surprise. Its coursework is organized to avoid, or ignore, difficult contextual issues and “outliers.” To me, this pathway teaches arrogance and assures ignorance. This may be the larger problem looming for US business. At some point the A in the MBA needs to be replaced. Perhaps it can be with something more relevant and accommodating of our dynamic and discontinuous realities. Alternatives might be: Innovation, Design, Intelligence, Survival, Sustainability, Relations, Excitement, Sex or simply Fun. (These last two are for those that liked the first two parties that our economy threw and sort of feel good about what they learned about the parties held during the decline of Rome.)

Gaps have clearly appeared in the fabric of business; especially at the international dimension. Those who do not yet see or feel this might look at the virtual desperation underway in leading MBA programs to find alternatives to training their students in functional areas, while urgently trying to pretend an international set of courses that go beyond training missionaries. As such, these schools these programs work to at least graded their focus from memorizing structures to confronting the role of improved judgment skills. While a credible international business program has yet to be designed within a US business school, there are encouraging signs that some deans of leading schools see a need for one. With significant changes in the human fabric, and its conditions of survival, less insulation is now found between cultures, growing economic, national and religious intolerance and an emerging awareness of resource limits. The foundation of business methods, models, myths and ideals are being challenges and changed.

Business operations, that needed to navigate through troubled waters face a growing array of difficulties associated with changing attitudes, desires, limits on resources, rapid emergence of unforeseen technologies and infrastructures that divide as well as connect. We need to rise above our simplistic, feel-good thinking. For example

we might learn to presume that by “convergence” we should mean “divergence.” When we hear about a “failure to communicate,” mostly from relatively low IQ HR people, we are better served to presume that there was perfect communication and that there were real reasons for why individuals pretended to not understand; e.g., because what was being said was another episode in strategic lying. Negotiating with the truth can sometimes be a refreshing exercise for an organization. The results might turn out a bit like an enema but the longer term consequences offer hope.

Perhaps the best means to manage complexity is with truth, but then again there appear serious threats to the traditions of management. Just as the models of control that were replaced by models of management, and are now as insufficient to the needs of their time as methods of control became during feudal times, we need to upgrade the stakes. What do we mean by upgrade? Where will we look to find the myths, metaphors, models and measures that are more robust to our time? How do we locate an idea that motivates us to rise above the limits of current business knowledge? How do we see that this is even necessary for our survival as a species? Why would we even care?

Another way to see this is to look into the economic theory that you should not learn from your studies in school and experiences as a citizen. There was a metaphysical acceptance of the importance of the economic argument between Karl Marx and Adam Smith. Most did not notice that the argument was becoming vacuous by the 1990s, and by the 21<sup>st</sup> Century it is simply a curiosity. While it is still a viable basis to go to war, it in fact is mostly a search for solutions in search of a problem that cares. Alternative economic ideas, arguments, agendas and requirements have been surfacing for some time in most parts of the world. The world was no longer centered on American business. Part of the esteem for the US way of business, and living, was endangered by arguing for others to protect human rights while we accepted torture upon those who would threaten our defense of human rights. It's a bit like the spouse who is 100% faithful, except for once or twice. Quite simply we need to see how many traditionally disconnected topics are finding a way to in reality to be connected. Then, we need to be a little less constipated about our responses to the resultant complexities. The platform for socio-economic ideas and ideals, the raw material of business, has been transformed. The role of the business enterprise now needs to be changed. Based on this, we can pretty clearly see how the need for a standardized, accredited MBA curricula is now seriously not needed. New business truths, values, ideas, ideals and motivations are needed. From where will they come?

Innovation in organizational design has this year become as critical to success as product design and innovation were last year. To manage this complexity we need to see what is similar and what is different amongst these changes. This needs discourse. To begin the discourse we need to accept that structure and form will only get in the way, just as hierarchy has long stood in the way of improvement. In simpler terms this means that we need to get over the weak democratic argument that if people can vote the results will be ok. Instead of allowing people (employees) to vote on alternatives we need to allow people (employees) to design the alternatives on which voting can take place, although when this is used voting is mostly beside the point. During the discourse phase the most exciting alternative becomes rather obvious. The contents of this course are an attempt to open up the above subjects, and do so in a way that allows helpful glimpses of emerging conditions as well as insights into how best to embrace them.

While only the smell of long dead fantasies about control linger, the principles of management are now mostly dead. I use the term negotiation as the alternative approach to building and developing an enterprise. If you have a better term please propose it. The important issue is that this alternative to management will change everything we do in an MBA program. For example, the refuge for those who studied organizational behavior in their PhDs, and were embarrassed about it, has been flight to subjects like institutional finance, R&D management and management of technology. As this idea never became useful for a company, which is a pretty good measure of an idea, we might instead consider the challenges of the “technology of management” instead of the “management of technology.” Technology of management, conceived by executives I work with, is consistent with replacement of the traditional manager. While it might seem to threaten your job it in fact can make you more valuable and knowledgeable. I would hope that such issues can be raised and explored in the course discussions and in your projects for this course. The MoT issue is a bit trivial, but it is the label you will have placed on your diploma and thus you might want to know how to questions you will receive about its meaning.

## THE COURSE: EMERGENCE OF THE ONTOLOGICAL ENTERPRISE

We may end up confronting the management dilemma as we address the “Planners Dilemma,” the “Prisoner’s Dilemma,” and “Heisenberg’s Uncertainty Principle.” The planners’ dilemma illustrates why syllabi were a good idea in the 19<sup>th</sup> Century, somewhat limited in the 20<sup>th</sup> Century and now an obstacle in the 21<sup>st</sup> Century. I’m aware that some of you complain about not having a syllabi, like having a security blanket against any surprises and unfairness, but you shouldn’t invest much in that argument. The “planners’ dilemma” illustrates why you don’t need one, but probably shouldn’t have one. I offer this one to appease those with too little insight and too much pride.

The “ontology” term, as used herein points to a set of issues that business people do not normally want to confront. When they arise executives turn to consultants, who dutifully report back that all is well and it is best to avoid issues that give headaches. As such, the language for addressing them is uncommon to an MBA course, and very limited. None-the-less, ontology and its supporting concepts provides one way to access the critical importance our growing need to better understand the limits of knowing, and how best to negotiate with them. Tomorrow’s leaders will be those who improve their ability to see and deal with the limits to knowing, and to find better means for dealing with such limits. This will of course involve innovation, but more important is that it involves a shift from the sanctity of the core and towards improving the capabilities in working at the edge. In many respects we are at the edge of sociological and technological systems development. We can see early signs of this in our confronting the edges of ignorance in much of what we try to do. On a more serious note, it’s most obvious in how we conceptualize the relations between business and systems of living order; often called natural systems. We need to do better. Hopefully some of you will ask what better means?

Specialized means for researching and developing in companies (the R&D functions) are no longer serving organizations. They fail to tap the full extent of innovative potentials in the surprising resources found in each individual and social group. The entire enterprise of R&D needs to be rethought, and perhaps renamed. This course is to prepare you for such rethinking.

### Step One: 3 Lectures on learning about Re-search (i.e., to search again, yet finally see for the first time)

This essence has no relationship to the research portion of R&D as studied by academics seeking truth under the streetlamp, because they claim the light is better there, even though their keys were lost someplace else. (That is an old story. If you haven't heard it ask someone.)

Research can no longer be conceived of as a secretive and separate function hidden away someplace in the woods. It must become open, interactive and interdependent. In this way we can better see the extreme limits of what we think about and how we think. The understanding of business ontology does not arrive in the dark of a closet. With an open systems approach we can then begin, for the first time, to see what business is. As many members of an organization as possible need to be involved, even those who silently watch others happily make foolish mistakes. Let us begin the process. All are welcome, and needed.

### Step Two: 3 Lectures on acquiring methods and tools to work at the edges of knowledge (and do very well while out there away from headquarters)

- Constructs/Concepts
- Both plus more
- Unaided rationality
- Logic
- Problem types
- Planners Dilemma
- Principles of Management
- Environmental Types
- Change/Changlessness
- Etc.

*Assignment one: In five pages or less, describe something you know with certainty, and something you certainly don't know. This will help you access the sense of what ontology is, and isn't.*

### Step Three: 3 Lectures on the beginnings of management and leadership: Are they more effective as nouns (CEOs) or verbs

In an on line discussion raise issues about what you know management to be, and not be. The discuss can begin anyway but if you'd like a beginning point, in order to see

the point of it all, then go to the power point presentation of “principles of management.” It can be found on the davidhawk.com website under NJIT Courses, and thus under “supplement.”

The central issues are what is management, how can humans manage, what we do when we can't manage, as well as how do we build our own conceptual system that allows us to make sense of all of these concerns and issues. There is much about the history of management in the presentation.

If you decide to go shopping or to pursue some other human need during this time at least don't raise issues about what a waste of time DL is during your now famous feedback sessions with the acting dean. A casual observer might accuse you of having some ethical problems in doing such. Oh well, casual observers also have ethical lapses so do what you need to do.

Don't be afraid to be confrontational, to cause trouble in your comments. Raise serious questions and concerns. I will not be using NJIT software, thus I will have an ongoing record of all comments said from all sessions of this course. At some future time you might be held accountable for your thoughts, or lack thereof.

The site is:

<http://gravelends.com/699/>

#### Step Four: 2 Lectures: 2500 years of how humans know

I hope to involve a co-teacher in this stage, to appear at the next face to face meeting. Her name is Ms. Zaihong Shen. She lives in NYC and Silicon Valley. She teaches courses in Manhattan on Yin and Yang as a central concept in Chinese and Eastern philosophies since the beginning of civilization. She applies this way of understanding to: philosophy, medical practice, food, healing and more. She has a B Arch from Beijing, an MS in International Business from NJIT and an MS in Management from Purdue. She is an accomplished artist, writer, corporate consultant and Feng Shui master. She has been interviewed extensively on CNN and CNBC business programs.

*Assignment Two: In less than five pages outline what you believe a manager should be and what a leader should be, should they be different. Please make use of some of the terms used in this course in your argument, or presentation, should you not feel very argumentative about the subject For example, I'd like you to address whether you believe a leader of tomorrow ought to be more inductive or deductive in their thinking? Once you decide what it is, you might consider whether or not sexual, cultural or age differences have any bearing on whether a person is mostly inductive or mostly deductive? This essay might end with your speculation on the chief characteristics of the optimum leader where conditions are stable, then speculate as to whether these differ when conditions are so unstable as to threaten survival?*

#### Step Five: 1 Lecture: A futuristic business plan, and the knowledge on which it is based

*Assignment Three: Do a business plan for your ideal business in the year 2020. It does not need to be feasible, realistic or comprehensible, but it damned well ought to be interesting/exciting/provocative, and in order to be this is must be understandable by the rest of us.*

*It needs to reveal what you define as the normative – the ought to be, not the “ is” or the predestination of the “will be.” It will reveal your definition of doing the right thing, not how to more efficiently do the wrong things. It will show us how you feel about others, including your family members that live after you.*

### **Step Six: Discussion: Challenges for your business plan, and how to respond**

Initial Business Plan Submission.

### **Step Seven: You as an Ontological Project**

Final Business Plan Revisions and Re-Submission.

### **Grading**

Assignments – 50%

Course business plan project – 30%

Class participation – 20%.

Thank you for your attitude and patience. I think all of you will make a difference in New Jersey’s future, and hopefully your leadership will have an impact beyond NJ.

## Course Books

Prior to opening the book, or reading the papers as copied you should read the “History of Knowledge” document as attached. Its author, Piero Scaruffi, found at [www.scaruffi.com](http://www.scaruffi.com), is also the author of the 2003 “Thinking about Thought.” The approximately sixty pages provide a good introduction to the scientific breakthroughs of human thinking endeavors cast against a socio-economic-political background of events that defines business success, or failure.

In addition to the articles given at the outset of the course you will also be given your copies of the following books a week to two after the course meetings begin. You might want to read the books in the following order, but if your intuition suggests another order for reading then please go ahead and follow your instincts, since that was/is an important part of the course. To be overly rational is to be intrinsically disabled.

1. Hamel, Gary and Breen, Bill, *The Future of Management*, Harvard Business School Press, 2007, \$25.

I, and those I work closely with, have never found Gary’s books especially enlightening. This one seems consistent with that quality. None-the-less, it’s important for you to see what a Harvard kind of person says about changing management ideas, to get a sense of how mediocre you can be while marketing yourself as advanced. Unfortunately, those who buy into this kind of business book don’t have much time for reading or reflecting on reality. As such these become titles on a bookshelf. The book’s contents will probably seem interesting for a year or two, as long as you don’t probe too deep. It’s included as a “bench-mark” guide of how to market being mainstream as being at the edge. It’s a pretty easy read, and for some readers it gives an idea of why this course is being offered to MBA students who desire to lead tomorrow after putting up with pretty bad leaders today.

2. Williamson, Timothy: *Knowledge and Its Limits*, Oxford University Press. \$29

Williamson is an Oxford Professor of Logic. The book is generally well done, and takes you closer to a cutting edge, but it’s a cutting edge of mainstream thinking, not the edge of difference that matters, i.e., not an exciting map for the future. It avoids most of the non-rational issues that face those dealing with knowledge and knowing in the future. It also avoids many of the ancient and yet unresolved issues of human thinking and thoughts, especially those that arise in the east. On the brighter side, if your colleagues at work see you reading this it will raise your chances of getting them to listen to what you say. It’s essentially how to improve what we are now doing, not how to find new/better things to do. The contents can be helpful to current issues and methods of business, such as IT directions and technology directed research, but it’s not supportive of revolutionary thinking. Again, it’s not the center piece of this course, but more contextual.

3. Merton, Robert and Barber, Elinor, *The Travels and Adventures of Serendipity*, Princeton University Press, 2004, \$29.95.

Things now improve. This material is more interesting, more controversial and probably more of the future you will encounter. This is where your presumptions will be seriously challenged. Merton is one of the great social scientists, and since management science is viewed as second rate SS it is a good idea of raise you head and see what the deeper thinkers of the context of management think about when they try to understand the social systems of reality. This will get you closer to those that are concerned about the future of the human condition, and a bit further away from those that write simple-minded management articles with bad statistics of third generation non-data.

The contents of this book provide a good platform for those who have tried to use strategy formulation, rule-based management, operations research and operations management and found it less than interesting and not helpful in responding to change and complexity. If you'd like to confront the underlying dilemmas and necessity of corporate planning, as presented in this course, then this is a very helpful guide to the roles of "luck" and "chance" in all that corporate planners attempt to do. It provides some rather good suggestions as to where to search for the edges of knowledge in social systems. Consider that this book was written in 1952, intended to be published upon the death of the author, and when he died not a word was to be changed. None were.

4. Holland, John, *Emergence: From Chaos to Order*, Addison-Wesley Books, 1998.

Now things get closer to falling off the edge of the future. Ideas found herein are critical to those developing the leading science and technology in a number of arenas. Most of the world's best researchers think very highly of the workings of people associated with this person and the Santa Fe Institute of which he is an important member. John is a prime example of what you might think about when you are at the edge of knowing. He is a Fellow of the World Economic Forum and widely known as the "father of genetic algorithms." Many companies have used his work to critic and guide their R&D direction including some I've sent to him. Management science, as taught most places, can greatly improve by looking into these and related topics of science.

5. Feyerabend, Paul, *Killing Time: The Autobiography of Paul Feyerabend*, University of Chicago Press, 1993

Feyerabend was a professor of philosophy, University of California, Berkeley. He was a very gifted and troublesome individual. He died in 1994, but prior to that I found him amazingly helpful to criticizing everything. He critiqued some of my most closely held beliefs. Except for Nicholas Georgescu-Roegen, Feyerabend was perhaps the most helpful person I ever met. He was very helpful to a 1989 project via highly insightful criticism of the then leading methods of research, including international business research. Via his work we formed and carried out the Conditions of Success project. This is one of the research efforts we will discuss in class and one that has recently become a key illustration for the new kinds of research to be done by the World Economic Forum

researchers. Be careful if this book excites you. You will most probably not be quickly promoted or placed in fast track leadership training. On the other hand, you might wake up as a CEO without the track, based on understanding the turmoil created by the decisions of the fast trackers. This thinker is closer to the eastern approach to understanding, and illuminates some of the mistakes we make in the west.

“In the west we state that science is where you can ask the same question twice and arrive at the same answer. In the east they ask why would you ask the same question twice?” (DH’s prior writings)

6. Fugere, Brian, et. al. *Why business people speak like idiots*, New York: Free Press, 2005. \$22.00

In case you are confused by the ideas and words in the above books and want to “know the point of all this,” then you should find this final book helpful to you concerns. Over the years I’ve found that undergraduate students and CEOs tend to have little difficulty with the language and concepts I rely on. Graduate students and middle managers often do have trouble with my critic of management systems, and prefer books like this that point to the problem but don’t confuse things by addressing a resolution. Enjoy.

## CONCLUSION:

On a slightly more serious note several companies I work with operate in ways that are compatible with the mission underlying this course and the EMBA program as it was moving until this course. It seems like a step or two backward might be looming. The program may soon return to faculty appeasement and 1970s focus group discourse.

Most of the firms that are fairly advanced in the thinking on their ontology will be familiar with parts of the questions raised in this course. They are more international based than American based, although they are as relevant to US practices of business. Some American Headquartered firms are beginning to confront these topics. Two of those I work with that have recently been in the news are BEA of Silicon Valley (that grew from a 2000 beginning to a \$8.1 billion acquisition in 2008), and Medco of New Jersey (which is now one listed as a leading firm in its industry, as well as one of the best places to work in the US).

## FINAL EXAM

In case nothing else in this course and in your studies makes sense you might consider the follow bench mark to sort out where you should fit into the business workplace once you have graduated. It arrives via the complements of Marianne Kosits, Executive Consultant, IBM Global Technology, who I asked for advice on how the learning in contemporary business programs relates to how IBM and their major clients can place them in work assignments. (Maybe she was kidding, but you will soon see.)

## TO PROPERLY PLACE MBA GRADUATES

Put 400 bricks in a closed room, then put your new MBA hires in the room and close the door. Leave them alone and come back after 6 hours. Then analyze the situation:

- If they are counting the bricks, put them in the **Accounting Dept.**
- If they are recounting them, put them in **Auditing.**
- If they have messed up the whole room with the bricks, put them in **Engineering.**
- If they are arranging the bricks in some strange order, put them in **Planning.**
- If they are throwing the bricks at each other, put them in **Operations.**
- If they are sleeping, put them in **Security.**
- If they have broken the bricks into pieces, put them in **Information Technology.**
- If they are sitting idle, put them in **Human Resources.**
- If they say they have tried different combinations and they are looking for more, yet not a brick has been moved, put them in **Sales.**
- If they have already left for the day, put them in **Management.**
- If they are staring out of the window, put them in **Strategic Planning.**
- If they are talking to each other, and not a single brick has been moved, congratulate them and put them in **Top Management.**
- Finally, if they have surrounded themselves with bricks in such a way that they can neither be seen nor heard from, send them to **Congress.**