Methodological aspects of research done in contemporary enterprises in the light of disputes between Modernists and Post-Modernists

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The objective of this paper is to present and analyze preliminary some selected methodological consequences of the disputes held between modernists and post-modernists for the contemporary theory of the firm. There is no doubt that the subject of these disputes constitutes the main axis in the discussion on the structure and functioning of the modern enterprise. In the situation of the intense debate between modernists and post-modernists, it appears that chances of the economic theory of the firm to find explicit answers to the questions on the essence and causes of establishing the enterprise are decreasing. However, at the same time our knowledge on the causes and mechanisms of differentiating enterprises in current market economies is increasing. The achievements of philosophy and methodology of science allow us to formulate a hypothesis that this is going to be a lasting situation.

JEL Classifications: B40, B52, L20

Keywords: Contemporary enterprise, modernists and post-modernists, complexity of modern firm, epistemological analysis, cognitive economics of firm.

Introduction

Various ongoing disputes in the area of modern economics theory indisputably indicate the validity and complexity of these problems. They stem from the multidimensional and changeable character of the entity created by an enterprise. An appropriate and in-depth analysis of the enterprise is a necessary condition for stimulating the growth of explanatory and application possibilities of the economic theory of the firm. These issues comprise both researching and evaluating the current knowledge of the enterprise, which represents the achievements of contemporary microeconomics, and analyzing the course and structures of the process of scientific cognition the effect of which is the microeconomic theory of the firm. The second aspect is of a primary significance; however, it still remains undervalued. This opinion is not challenged even by the fact that in the field of philosophy and methodology of sciences the idea of the unquestionable knowledge based on the unquestionable empirical and logical foundations has already been undermined. Malawski (2002) has aptly noted that the consequences of the current state of affairs “cannot disregard the very philosophy of science, which means that its own proposals or solutions cannot pretend to certainty” (p.857). In such a situation it should be acknowledged that the method of cognition of the world proposed by contemporary science is rather a manifestation of a scientific standard accepted in the field of the sociology of knowledge and belonging to the discovery context. One of the consequences of this status quo is a need to accept a certain version of the empirical-interpretative theory of scientific cognition as an appropriate concept in researching the essence and behaviours of the enterprise.

This concept refers both to the achievements of critical rationalism and critical realism. The concept considers the scientific achievements of the contemporary versions of empiricism, phenomenology, and hermeneutics, and its assumption is that the purpose of cognition is not only describing and explaining but also understanding and interpreting the management process in the enterprise.

The objective of this paper is to present and analyse preliminarily some selected methodological consequences of the disputes held between modernists and post-modernists for the contemporary theory of the firm. There is no doubt that the subject of these disputes constitutes the main axis in the discussion on the structure and functioning of the modern enterprise.
Epistemological conditions in researching enterprises

It cannot be doubted that numerous deficiencies in the theory of the firm have their source in unsettled disputes running in the field of the contemporary philosophy of science. In this situation any attempts to eliminate them are condemned to failure. The example of the economic theory of the firm clearly shows that despite the obviousness of this opinion it has still only a marginal character in research practice. It is difficult to perceive any impact of the cognition and functioning problems of the enterprise on the state of overall methodological reflection. Economists still do not pay much attention to the philosophical basis of the knowledge of the social process in management.

The disputes held within the framework of contemporary philosophy concern the ontological characteristic of the existing world and the epistemological basis of the knowledge of the world. From the perspective of the microeconomic theory of the firm, the questions on the nature of this entity, the enterprise, (opinions made in this area refer to the concept of monism and ontological pluralism) and its changeability are essential. This is strongly emphasized by, among others, Sztompka (2005). He indicates that the contemporary sociological theory abandons regarding society (groups, organizations) as an object and focuses on its dynamics. This approach corresponds to the views of Whitehead according to which the only commonly existing fact that is present in the essence of what is real is the change of the state of affairs (1988). Therefore, to expand his point, we do not perceive society (groups, organizations, etc) as a “stiff” system, but rather as a “soft” field of relations (Sztompka, 2005). This denotes that it is impossible to grasp the meaning of the ontological status of a social entity without learning about its ways of existence.

As it is known, such an approach is typical of the scientific research common to all empirical sciences. In natural sciences the approach originates from the difficulty of cognition of certain entities that exist objectively if cognized through senses (e.g. the world existing outside the so-called “events border”, that is outside the border of empirical cognition, outside the reality referred to as “the black hole”). In social sciences linking the approach connected with “the field model”, which regards various social entities as “stiff systems”, with the processual approach appropriate for “the changes model” relates to the fact that society does not, and, in fact, cannot exist in inertia1.

At present, scientific interpretations of the world fulfil the major role in shaping the knowledge on the environment surrounding a human being (Gockowski and Kisiel, 1997). These interpretations constitute a kind of combination of experience and metaphysics. However, the problem is the way in which metaphysics enters empirical sciences. Will it, as in the case of the aforementioned A. N. Whitehead, firstly emerge from empirical sciences to affect them later on, or will it be a consequence of the limitations of empiricism, meanings of language and culture in cognition processes, or, lastly, will it be a consequence of the ontological status of the world? - this depends on the possessed vision of cognition of the reality2. It must be stressed that the process of cognition itself is characterized by a certain discontinuity3. This discontinuity results from a gap between scientific cognition models and directly felt sense of various types of experiences, predominantly between mental perception and notions.

Ongoing disputes on modernism and post-modernism constitute the background for the analysis of changes taking place in enterprises. These disputes, as frequently noticed, find their expression both in the reflection on the enterprise and the changes taking place in it, and in the consideration of the very process of cognition of the enterprise. From the point of view of the content of the modern economic theory of the firm, they fulfil a vital role as concerns the description and explanation of the civilizational conditions of creating and functioning of the enterprise, its goals of activity, changes taking place in it and its environment, the characteristic of the enterprise in the, so-called, new economy, relations between post-modernity, the ongoing globalization and creation of global corporations, or, lastly, in analyses of competition and cooperation seen as two equal mechanisms in the coordination of human activity.

Disputes on modernism and post-modernism constitute a starting point for presenting, analyzing, and evaluating critically the cognitive achievements of the economic theory of the firm.

1 Ibid. This approach corresponds to the views expressed by phenomenologists. For instance, Henry claims: “According to other phenomenological intuition, manifestation is more important than existence: an object is able to exist only because it manifests itself” (Henry, 2007, p. 92).
2 A general characteristic of Whitehead’s concept is presented briefly in, among others, Heller (1992, pp. 129-145).
3 This is stressed by Pilat in the analysis of the issue in the context of the question on mutual relations of concepts and direct experience in the structure of experience (Pilat, 2006, pp. 13-16).
The enterprise from a post-modernist point of view

The introduction of the theoretical considerations on the enterprise seen from the post-modernist perspective has brought an increase in the meaning of research done on the impact of cultural conditions on creation and functioning of this kind of economic subjects. This is manifested in the expansion of the institutional trend in researching enterprises within the microeconomic theory and in the development of the analysis of corporate culture within the sciences of organization and management. As a result, there has taken place a partial breakthrough in the limitations of the economic theory of the firm created out of the economics of the main trend.

References made to the theory of culture and sociology are unavoidable and need to surpass their currently used scope. As Stecewicz noted aptly, managing is a certain manifestation of social life of a multidimensional nature. “These dimensions or management aspects are the technical, production, economic, spatial, ecological, social, political, and ethical dimensions” (2003, p.50).

An example of recognizing the multidimensionality of the management process in the area of the economic theory of the firm is the dispute on the concept accepted within it of rationality and purposes of enterprises’ activity. The recognition of cultural conditions of the creating and functioning of the enterprise as an entity of a civilizational character has animated the discussion on the necessity of returning to the concept of the substantialist rationality. This is especially noticeable under the conditions of institutional approach and business ethics (Chryssides and Kaler, 1999; Walczak-Duraj, 2002; Galata, 2007; Jackson, 1999; Young, 2005).

However, this does not mean formulating the postulate of eliminating the idea of instrumental rationality taken from the microeconomic theory of the firm. Both concepts have their historical and logical boundaries. As the concepts of the substantialist rationality are characterized by the excessive and frequently inadequate anthropomorphization and the presence of metaphysics, the instrumental rationality models, treating reason as an instrument, let one acknowledge the fact that they can be used for any purpose (Horkheimer, 2007).

The institutional analysis contradicts this and shows not only the sources of the corporate governance, but also its cultural anchoring as well as the reasons for institutional permanence and changes. This is proved completely by the research results obtained within managerial and behavioural concepts, the transaction costs theory and the ownership rights school in the aspects concerning the enterprise.

The intercivilizational and intercultural conditions of modernism and post-modernism were reflected also in the relation between an individual and society accepted by the microeconomic theory of the firm. A special meaning in this case is ascribed to the dichotomy of individualism, most frequently understood as “a dynamic effect of the emancipation process of an individual that accompanies modernization” (Bokszański, 2007, pp.23) and collectivism.

The neo-classical, managerial and behavioural models assume usually a privileged position of an individual in his/her relations with collectivism; however, the enterprise models created on the basis of the institutional approach, and especially the evolutionary concepts, allow for the existence of another model of this type of relations - an alternative one. “Its essence constitutes searching relatively firm relations, rooted in separate cultures and normatively established ‘individualistic’ or ‘collectivist’ patterns of values that direct life strategies and individuals’ activity as well as institutional structures of separate societies””. As commented by Federowicz, institutions are frequently treated as sets of limits imposed on individual activity. However, institutions also determine possibilities of activity. According to Federowicz, “firstly comes opening some space for actors’ performance, and after that comes determining its framework or, rather, its skeleton. This skeleton partially sets limits but its underlying role is to maintain this space open for performance” (Federowicz, 2004, p. 144). The structure of actors’ expectations has a special meaning for the fulfilment of this role. It determines “its governance dynamics, permanence or a change perspective, evolutionary or entire” (Ibid., p. 145). The category of actors’ social expectations cumulates historical experiences and the anticipational institutional order, and means that “an institutional change, similarly to institutional activity, is based on a subtle interaction between the system level (norms setting) and the level of strategy, behaviours and even between actors’ attitudes”. According to M. Federowicz, researching this dynamic structure of actors’ expectations and hierarchical dependencies occurring in the existing institutional order provides us with knowledge on the potential of changes. On the one...
hand, institutions are stabilizers of a specified social order (organizational order, corporate order); on the other hand, they determine possibilities and the potential of its changes. The awareness of the importance of civilizational and cultural conditions of creating, functioning and changing an enterprise cause the knowledge of the issue, on the one hand, to be systemized within the contemporary metaeconomics (especially within the metaeconomics theory of the firm); on the other hand, it constitutes an important motivator for the development of institutional research on enterprises. However, it is worth paying attention to the fact that the debates and disputes between modernists and post-modernists have yet another meaning for the economic theory of the firm. What is at stake here is the scope of possible interpretations and obtained cognition effects within the empirical and interpretative epistemology. While commenting on the course and results of the discussion between Ecco and Rort, A. Szahaj notes that the condition limiting the number of possible interpretations formulated in specific ethnical, theoretical and artificial languages is “the existence of any interpretative community which accepts a specific interpretation as reliable or in any other way significant” (Szahaj, 2004, p. 110). The increasing number of various interpretations of the world and the effects of its cognition actually observed and underlined by post-modernists are the result of the differentiation of societies being the carrier of this culture. Therefore, the boundaries of the interpretative anarchism are set by the boundaries of cultural pluralism. This pluralism, as stated by the above-quoted Szahaj, exceeds contemporarily the modernist pluralism postulated by the classics of liberalism and is connected with the idiosyncratic effect of the western culture which encompasses the modern economic theory of the firm (p. 113).

Idiosyncrasy of culture is a process of the progressing differentiation of culture and the related multiplicity of interpretations. In this situation the acceptance of the concept of the epistemological pluralism within the empirical and interpretative theory of cognition may be understood as the effect of ontological pluralism concerning artefacts of culture also including the enterprise. This is why the analysis of the discovery context should indicate a pool of allowed interpretations under the economic theory of the enterprise, which is acceptable for the specific degree of the idiosyncrasy of the western culture within which the enterprise was created.

The research practice concerning the area of the enterprise refers more frequently to the post-modernist and modern culture theories in the case of the analysis of relationships between culture and enterprises than in the case of the influence of culture on the course and effects of the very process of cognition of the enterprise. Subject literature on the causes and mechanisms of the differentiation of enterprises is very abundant, particularly in the field of the institutional approach that is strongly connected with the theory of culture. Representatives of the contemporary economic institutionalism concentrate their interests on the analysis of the change, evolution and adaptation processes in enterprises perceived as some type of organization. Also, they concentrate on institutional changes that characterize the corporate governance and the relations of an enterprise with its competitive environment.

Less frequently attention is paid to the importance of the cognitive functions of an institution, or in a broader sense, to the culture of thinking about enterprises and to the evaluation of the state of the scientific knowledge in that scope6. Cognitive aspects are usually analyzed in reference to actors acting within the enterprise (the owner, employer, manager, business partner, stakeholder, etc.). The progress in the scope of research on the enterprise requires an analysis of cultural contexts and their impact not only on the content of the theory of the enterprise but also on the shape of the methodological concepts concerning the cognition of the enterprise. A clear growth in the number, scope and importance of research projects realized within the institutional approach that has been observed recently is a practice which is demanded and worth continuing in this way. This is a significant conclusion and a methodological postulate at the same time. This conclusion seems to be obvious. Therefore, curious is the fact that the research practice referring to the enterprise is still divergent with this conclusion. It appears that some general models of culture may constitute a good starting point for researching the relations between the theory of culture and the theory of the firm. However, in the case of the analysis of the relations between the theory of scientific cognition and the economic theory of the firm of the post-modernist period, these functions are fulfilled by Gadamer’s philosophical hermeneutics, Derrida’s destructionism and Wittgenstein’s philosophical views. The last ones touch upon the problems of understanding, meaning, deconstruction, destruction and interpretation. As is known, these problems are of essential importance for the empirical and interpretative concept of scientific cognition suitable for researching enterprises.

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As concerns general models of culture built within the framework of the theory of culture, regardless of disputes on definitions, one of them that may be useful in the process of organization and assessment of results of research carried out in the enterprise, perceived just as certain product of culture and civilization, is “the culture square” 8.

It should be emphasized that making references, during the process of the enterprise research, to culture and theoretical considerations on it is not the consequence of acceptance of some form of methodological holism but the reflection of political and cognitive problems of the post-modernist epoch. In this period some vital changes took place in the sphere of technology, the structure of resources used to increase national wealth, forms of organization and in corporate and consumer behaviours. Also, this was the period of free-market industrial economies and then the economic theory of the firm was created. This theory acknowledges the existence of a traditional conflict between capital and labour and it refers to the industrial enterprise as to an ‘ideal type’ of enterprise to be taken for research purposes. The theory had to face the challenges of the new economy. In this economy knowledge and information became strategic resources and network ties created a tissue of the new economic governance. There is no doubt that without analyzing the cultural context and without considering the achievements of hermeneutics in the cognition issues, at present it is impossible to carry out indispensable adaptations of the economic theory of the firm to the current civilizational and cultural changes of the period of post-modernism characterized by the globalization processes and creation of the knowledge-based economy (including enterprises) 9.

The economic theory of the enterprise and concepts of “the ideal of science”

Another conclusion of the metaeconomic and epistemological charter concerns what S. Amsterdamski described as the concept of the ideal of science. This concept denotes “a set of views, held at a specific time, on purposes of academic activity, and these views also determine the method and ethos of this academic activity” (Amsterdamski, 1983, p. 26). According to Amsterdamski, “history of science, its traditions, sources, potential boundaries are always continued by some particular (this means accepted at a specific time by a group of people) ideal of scientific knowledge” (Ibid., p. 23). The history of the scientific cognition proves that in research practice one can observe a realization of a sequence of socially accepted ideals of science. This means that the process of the scientific cognition being realized within the framework of a socially accepted ideal of science, so with an internal logic suitable to it, is “the fact of nature” (a conditioned acceptance of some specified ideal of science). Ideals of science fulfil a few essential functions. They set boundaries to the phenomenon referred to as science, constitute a filter enabling qualification of specific research problems into the more or less important / interesting categories, determine acceptance and rejection rules for theories, principles of satisfactory explanations of phenomena and ways of creating theories, methodological rules for research, and imply a determined scientific ethos and internal organization of the scientific community (Ibid., p. 32-41).

Currently, discussions held in the sphere of the theory of scientific cognition are primarily focused on the approaches within the spectrum that itself is limited, on the one hand, by the concept of theoretical pluralism and, on the other hand, by epistemological anarchism. The recognized and well known opinions of Feyerabend indicate that science has made a multiple progress in discovering the world and this has happened against methodological rules. These opinions constitute justification for making the position of the model of the ideal of science stronger by determining scientific standards, the discovery context, lowering the position of research as such / interesting categories, determine acceptance and rejection rules for theories, principles of satisfactory explanations of phenomena and ways of creating theories, methodological rules for research, and imply a determined scientific ethos and internal organization of the scientific community (Ibid., 1996).

In the light of the current shape of research, it appears to be justified to ask the following questions; to what extent is the increase of the empirical content in the economic theory of the enterprise a result of applying methodological directives appropriate to the empirical and interpretative epistemology, and to what extent is it a consequence of other conditions? It seems that in spite of the impact of the popular and pre-theoretical experience on the current state of the knowledge of the enterprise, noted by economic history, management and organization sciences, and social psychology, the view that the scientific progress made in the economic theory of the firm primarily

8 The essence and attempts to settle disputes on the definition of the concept of culture is presented by, e.g., Kochanowicz (2005, pp. 71-73).
9 It must be remembered that in this work the terms “post-modernism” and “post-modernity” are identical. However, this is not a standard. Compare, e.g., Banica and Bukowska (2004, pp. 38-39).
10 The need to analyze the cultural context as a determinant of economic phenomena is indicated by, e.g., Guido et al. (2006, pp. 23-49).
results from respecting socially accepted ideals of science can be justified. Making references to these ideals constituted an essential source of establishing and developing models of the enterprise in the sphere of the new institutional economy, the evolutionary economy and contemporary behavioural concepts of leadership. Also, it is hard to imagine the genesis of the neo-classical model without references made to the positivist philosophy and scientific methodology.

The weight of the questions formulated above can especially be noticed in the debates of economic theoreticians and practitioners on the character of the knowledge offered by the economic theory (is that knowledge theoretical or contextual?). These issues have been given relatively little consideration and should be subject to further research. They turn out to be vital in the analysis of possibilities of application of the economic theory of the firm for the explanation of changes in the population of enterprises and changes in behaviours of these subjects under the system transition in the former socialist countries. In the second case, besides the observed phenomenon of ‘the discontinuity of reality’, the considered by R. Pilat “discontinuity of the cognitive process” should by taken into account. It seems that the situation of “the double discontinuity” is one of the possible causes of the contextual character of the knowledge of the enterprise concerning the post-communist economies in the transition period. However, from a practical point of view the contextual knowledge, that is the pre-theoretical knowledge, is better than the situation in which one is faced with lack of knowledge.

**Efforts made to maintain the empirical character of the economic theory of the firm**

The confrontation of the theoretical state of knowledge with research practice in this field clearly shows a rapid increase in the number of empirical research projects on various aspects of functioning of the enterprise. It is worth noticing the significant differentiation of this research. This can be empirical research not linked to the theory of the enterprise, so this is the research the subject of which is not an empirical assessment of logical consequences resulting from the economic theory of the enterprise. Most empirical research projects conducted on the enterprise in the period of the post-socialist transition may serve as an example to the point. As it was stated earlier, the weaknesses of the theoretical considerations in the sphere of the system change in Central and Eastern Europe make the conducted empirical research fulfil a role of an observing agent and obtained observations form a foundation for building the theory of the firm under the system transition of an inductive character.

In turn, the observation of the research practice in the discussed area in the countries with mature market economies clearly indicates that most of the empirical research concerns various attempts to falsify certain hypotheses within the economic theory of the firm. It is enough to cite the research on strategies of corporate behaviours in the oligopolistic market structures, practically realized ways of corporate supervision, assessment of proficiency and efficiency of enterprises with various structures of ownership rights, etc. However, this needs intensifying efforts aimed at shaping the theory of the enterprise so that it could be possible to draw from it empirically tested conclusions. Good examples to illustrate the point are the concept of entrepreneurship regimes suggested by Balcerowicz, Bain’s concept of the entrance and exit barriers, and, strongly connected with it, Labini’s model. They are commonly perceived as important in describing and explaining corporate behaviours on the oligopolistic markets. This direction is also followed by the research within managerial models and behavioural concepts of the enterprise, the new institutional economy and the evolutionary economy. This proves explicitly both the empirical character of the economic theory of the enterprise and its “very theoretical nature”.

The economic theory of the firm does not restrict itself to the attempts to understand and interpret the entity created by the enterprise, but it makes efforts to describe, explain and evaluate the reliability of achieved research results by applying the criterion in the form of a classical definition of truth. However, this does not mean the depreciation of problems of understanding and interpretation the necessity of which is commonly accepted “for the sake of theoretical burden of all observational statements” (Amsterdamski, 1983, p. 252). The economic theory of the firm as a theory of social sciences does not depart from the standards functioning in this scope11. The dominant trend here is to maintain its empirical character. This fact may constitute an additional justification important in searching for empirical and interpretative epistemology suitable for the theory of the enterprise. An example may be Lakatos’ concept of scientific research programmes. In the light of the considerations above it is worth analyzing the question of the frequently cited

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11 In Polish literature, the problems of philosophical foundations of understanding human behaviour are presented by, among others, Krasnodębski (1986).
postulate of the need of interdisciplinary research with reference to the enterprise. It is necessary here to answer the following questions: to what extent should this postulate be treated as a consequence (that researchers are or are not aware) of the ‘insufficiency of the theoretical content’ of the economic theory of the firm as the empirical theory, and to what extent is it a manifestation of the actually perceived complexity of this entity? The contemporary economics in unable to explain this complexity of the enterprise.

**Ending**

These generally presented methodological issues, which are frequently raised in debates devoted to modernism and post-modernism, have an important impact on the course and effects of the process of cognition of changes and behaviours in contemporary enterprises. It is necessary to perceive, on the one hand, cognitive limitations resulting from the need to accept a determined form of the empirical and interpretative epistemology, on the other hand, the chances for a scientific progress connected with the analysis of cultural conditions of the evolution of structure and functioning of the enterprise. In the situation of the intense debate between modernists and post-modernists, it appears that chances of the economic theory of the firm to find explicit answers to the questions on the essence and causes of establishing the enterprise are decreasing. However, at the same time our knowledge on the causes and mechanisms of differentiating enterprises in current market economies is increasing.

The achievements of philosophy and methodology of science allow us to formulate a hypothesis that this is going to be a lasting situation.

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