

## Chapter 6

# The Moral Limitations of the Rational–Monistic Model: A Revision of the Concept of Rationality and Rational Action

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### ABSTRACT

*This chapter proposes a rational-pluralistic model for decision making in organizations. The authors developed this model as a potential solution to the negative moral implications (such as alienation from the workplace) that the formal rational decision making model has on organization employees. The negative moral implications are due to the fact that the formal rational model is monistic, limited by the considerations of the organization's utility, and neglects moral values and non-utility values that are related to the employee. The rational-pluralistic model is based on a revision of the concept of rationality and rational action. The basic assumption of this model is that there is a range of values other than the utility value that are involved in rational decision making. The more extended definition of rationality makes it possible to avoid a situation in which employees are only the means for organization goals, rather than ends in themselves.*

### INTRODUCTION

René Descartes, in his book, *Principles of philosophy* (1644/1983), distinguishes between two aspects of the human psyche that are involved in decision making, the *intellect* and the *will*. The intellect processes the facts and the will is

the value system of the decision maker. Strauss (1998) elaborated this distinction made by Descartes; explanations of this distinction will be provided later in the chapter. Building on the foundations laid by Descartes and Strauss, we developed a new model for decision making in organizations called the rational-pluralistic

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model. This model is based on a revision of the formal concept of rationality and rational action in management theory and practice. The strength of the rational-pluralistic model is that it offers a practical solution to the moral limitations that the conventional model of rational decision making imposes on the employees of an organization. In addition, preliminary research findings of this model (paper in progress) have also demonstrated that the rational-pluralistic model is a *descriptive* model of decision making. This is in contrast to the conventional rational decision-making model whose basic assumptions—according to the findings of many studies (e.g., Hastie, 2001; Kahneman, 2003)—do not conform with actual human behavior. This will be further elucidated in the Background, under the subheading, The Organization as a Rational Institution.

We begin with the assumption that the formal organizational model for decision making is the homo economicus model, based on L. J. Savage's subjective expected utility theory (1954). We will discuss the basic notion which underlies this model of decision making and will argue that it is a monistic model of values. In other words, decision making in the case of the homo economicus model is solely a cognitive process based on the intellect and, therefore, the only goal of decision making is to maximize the value of utility. In contrast, the basic supposition of the rational-pluralistic model (that we will develop later) is that the act of making a decision is a process that combines two stages, i.e., an understanding of the facts which is the role of the intellect, and a valuation of the facts which is the role of the will. According to the pluralistic model, these two stages in decision making—understanding and valuation—while interdependent remain mutually distinct.

Our main proposition is that neglecting the will factor in the decision making process (i.e., disregarding the non-utility values of human beings) makes it possible to relate to an organization worker simply as a person filling a role, in this

case, as a means for promoting the organization's utility, and not as an end in itself. This perspective creates an inherent conflict of values between the utility value of the organization and the non-utility value of the employee. This conflict of values has negative moral implications for the employee, since he or she has to choose between fulfilling their role, i.e., advancing organizational utility, and realizing his or her own non-utility values as a human being.

The conflict of values in organizations has been debated in the relevant literature, which mainly relies on a fundamental utilitarian assumption in management (Rahim, 2011). Accordingly, it can be argued that social scientists are interested in the implications of this conflict for the employee only if they are relevant to organizational effectiveness. For example, the approach in which organizational culture is perceived as a managerial tool is often prevalent as a means of worker-organization coordination and as a strategy of preventing conflicts in the organization (Guiso, Sapienza & Zingales, 2014; Kosfeld and Siemens, 2011). The basic assumption of the organizational culture approach is that employees also have non-utility values which they strive to fulfill in the context of the instrumental activities of the organization. The realization of these values is perceived as something which induces worker satisfaction and consequently, it also increases the motivation to promote the organization's utility. The implementation of non-utility values in an organization is contingent upon its contribution to worker effectiveness, i.e., increasing worker output. Therefore, we can argue that the integration of non-utility values in the workplace is a means to solve employee-organization conflicts from the goal-oriented perspective of the organization, i.e., promoting organization utility. However, from the employee's point of view, it is only a compromise and not a solution to negative moral implications because he or she can not fulfill their non-utility

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