

Review of Productive Pragmatism: Can industrial democracy be viable under neoliberalist capital conditions?

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Abstract: I review the two cases of industrial democracy in Norway and Mondragon using multiple perspectives. From a system thinking perspective, I use a General Systems Theory (GST), Viable Systems Model and Soft Systems Methodology. From a management perspective, I examine how institutional entrepreneurship plays a role in creating new ways of coping with regulative, normative, and cultural-cognitive forces impacting the two cases. I then view the two economies from a governmentality perspective on how they deal with power and autonomy. My analysis demonstrates that the two democracies have coped well with internal and external forces. I also argue that industrial democracy would face challenges in dealing with new ways of working that have emerged due to the influence of technology.

Keywords: Viable Systems Model; Soft Systems Methodology; Institutional Theory; Governmentality

Una revisión del Pragmatismo Productivo: ¿Puede la democracia industrial ser viable bajo condiciones capitalistas neoliberales?

Resumen: Reviso los dos casos de democracia industrial en Noruega y Mondragón utilizando múltiples perspectivas. Desde una perspectiva de pensamiento sistémico, utilizo una Teoría General de Sistemas (TGS), un Modelo de Sistemas Viables y una Metodología de Sistemas Blandos. Desde una perspectiva de gestión, examino cómo el emprendimiento institucional juega un papel en la creación de nuevas formas de hacer frente a las fuerzas regulativas, normativas y cultural-cognitivas que impactan en los dos casos. Posteriormente veo las dos economías desde una perspectiva de gubernamentalidad para ver cómo tratan con el poder y la autonomía. Mi análisis demuestra que las dos democracias han hecho frente bien a las fuerzas internas y externas. También argumento que la democracia industrial enfrentaría desafíos al tratar con nuevas formas de trabajo que han surgido debido a la influencia de la tecnología.

Palabras clave: modelo viable de sistemas, metodología de sistemas blandos, teoría institucional, gubernamentalidad

Introduction

As I began to review the two excellent accounts of industrial democracy (Norway and Mondragon), it took me a while to reflect on how to respond, as I am not a specialist in the topic area. However, as I started reading the accounts, I began to sense a feeling of excitement that I may have something to say as a scholar working on organizations and management and systems thinking.

I plan to look at what has been written from three perspectives. The first perspective is from the viewpoint of systems theories. The editors mention General Systems Theory in their lead article. My view will be more from a cybernetics perspective, especially using the Viable Systems Model developed by Stafford Beer (Beer, 1984) as their essay asks a question about viability. I will also refer to Peter Checkland's work on Soft Systems Methodology (Checkland, 1989) as the article discusses conflict resolution with multiple actors with multiple perspectives.

The second perspective is from institutional theory as we are discussing institutions and their interactions with the environment in the two cases. I will specifically use Scott's work on institutional theory that discusses "regulative, normative and cognitive structures and activities that provide stability and meaning for social behavior" (Scott, 2014, p. 33). Within this view I will also discuss the role of institutional entrepreneurs. The term institutional entrepreneur refers to the "activities of actors who have an interest in particular institutional arrangements and who leverage resources to create new institutions or to transform existing ones" (Maguire, Hardy and Lawrence, 2004, p. 657).

The third perspective is from a governance perspective as my research covers project governance where we discuss the impact of governmentality on neoliberal theory which "involves a description of the shaping of freedom and power's attempts to negotiate the space between a subtle exertion of authority over subjects and their complete autonomy." (Baerg, 2009, p. 117)

Before I discuss what, I observed about the case studies from the three perspective I will introduce some of these perspectives briefly for the sake of the reader who is unfamiliar with them.

1. Systems Theories

Cybernetics developed from control engineering but has similarities to the concept of GST (Bertalanffy, 1968) in that its founder Norbert Wiener (Wiener, 1948) opined that it works across disciplines as "it dealt with general laws that governed control processes whatever the nature of the systems under consideration" (Jackson, 2003, p. 7). The key concepts of cybernetics include communication, control, and feedback. While the early cyberneticists were mathematicians, engineers and scientists, cybernetics, also attracted social scientists such as Gregory Bateson's (Bateson, 1972), whose work on is mentioned in the lead article. I will also refer to another concept developed by cybernetics. Ross Ashby's concept of requisite variety (Ashby, 1956) is also used in Beer's Viable Systems Model. Ashby's notion of requisite variety implies that to cope with the complexities posed by an external environment a system (or organization) must have sufficient variety. The later cyberneticists developed second order cybernetics which is known as the cybernetics of the observing system taking a more subjective view that recognized the social construction of reality. Stafford Beer's Viable Systems Model is also driven by second order cybernetic ideas which originated from his work on neuro-physiological concepts which he applied to management systems. His original work viewed the firm using human physiology (heart and brain) as metaphors to design a viable organization (Beer, 1972; Beer, 1979).