



Lund University

Reason—do managers need it?



Miettunen, Marja

Lund University
Department of Business and Economics
Managing People, Knowledge and Change

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Miettunen, Marja
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Contents

1	Introduction.....	5
2	Goals of the thesis	7
	2.1 The motivation to the topic.....	8
	2.2 Limitations and conclusions	9
	2.3 Structure of the thesis	10
3	Research methods.....	12
	3.1 Methodological perspective.....	12
	3.2 The chosen research methods	14
	3.2.1 Data collection.....	14
	3.2.2 Saxo Bank	15
	3.2.3 Qualitative research.....	16
4	Literature review	18
	4.1 The basic philosophical premises of modernism and postmodernism	18
	4.2 The nature of postmodernism	21
	4.2.1 The postmodern ideas in management practice	24
	4.2.2 The critics of postmodernism.....	29
5	Empirical research.....	32
	5.1 Representing the data.....	32
	5.1.1 Saxo Bank’s ideas	33
	5.1.1.1 Saxo Bank’s ethics—the seven values.....	34
	5.1.1.2 Metaphysics, epistemology and politics in Saxo Bank...	36
	5.1.2 Decision-making in Saxo Bank.....	37
	5.1.3 People management in Saxo Bank	40
	5.1.4 Saxo Bank’s approach to management	42
	5.2 Analysis of the interview data	43
	5.2.1 The modern ideas in management practice.....	44
6	Discussions.....	50
	6.1 Postmodernism versus modernism—the end of the controversy	51
	6.2 Why philosophy matters in management	52
7	Conclusions	54
	7.1 The current state of the controversy	56

7.2 What future research is needed?	57
References	59
Images and figures	62
Tables	62

1 Introduction

Do managers need reason? The question may sound surprising, but it is in the core of the intellectual controversy in the management literature today.

Let's begin with how it was before postmodernism. In the modern era, the era starting with the Renaissance and the Scientific Revolution, we grew a respect and esteem for reason. The thinkers of the Enlightenment believed that by using reason we could solve our problems. The Enlightenment attitude gave birth to the Industrial Revolution as well as the sciences, business and technical fields of the twentieth century. During this era, the basic assumptions have been that there is an objective reality, and that reality is knowable. In management these ideas have meant applying reason and knowledge to everything. The goal has been to manage everything the most efficient way, to achieve the desired end.

Starting from the late twentieth century, postmodernism has offered new theories sweeping aside reason, truth and knowledge. Its basic assumptions are that there is no reality we could be sure of, and that knowledge is a social construction. As a result, postmodern management theories advocate skepticism, intersubjectivity and egalitarianism.

Postmodernism has had a widespread influence on intellectuals throughout the world. It has started with the philosophy of Immanuel Kant, who was the first philosopher to disconnect reason (consciousness) from reality (Ghate & Locke 2003). Postmodernism has been spreading from philosophy into many other fields, including literature, history, sociology, psychology and business, and "the earth-shaking issue at stake is this: is man's mind competent to know reality—or not" (Locke 2003, ix).

According to Hicks (2004, 1) "today's leading intellectuals tell us that modernism has died, and that a revolutionary era is upon us—an era liberated from the oppressive strictures of the past, but at the same time disquieted by its expectations for the future." The intellectual world has got new leaders. The names of the postmodern vanguard are

now familiar: Michel Foucault, Jacques Derrida, Jean-François Lyotard, and Richard Rorty (Hicks 2004, 1). These individuals have set the direction of the movement and have provided it with its most potent tools. The vanguard is aided by other familiar names: Stanley Fish and Frank Lentricchia in literary and legal criticism, Catharine MacKinnon and Andrea Dworkin in feminist legal criticism, Jacques Lacan in psychology, Robert Venturi and Andreas Huyssen in architectural criticism, and Luce Irigaray in the criticism of science (Hicks 2004, 1).

Michel Foucault has stated the major targets of postmodernism: “All my analyses are against the idea of universal necessities in human existence” (Foucault 1988, 11). According to him such necessities must be rejected as baggage from the past: “It is meaningless to speak in the name of—or against— reason, truth, or knowledge” (Foucault 1995, 2). “Reason,” writes Foucault (1965, 95) “is the ultimate language of madness”. Deconstruction, Stanley Fish confesses, “relieves me of the obligation to be right ... and demands only that I be interesting” (Fish 1982, 180).

The opponents of postmodernism are many. Virtually every postmodern idea has been heavily criticized. Postmodernism’s proponents and opponents openly and extensively disagree with each other. While the management literature converses on the postmodern ideas to a great extent, there are no comprehensive guidebooks on how to consistently apply postmodern ideas to management. Based on the discussions on the academic field in chapter four, this thesis offers a concretization of what postmodern management would be like in practice. The goal of this thesis is to represent what it is to practice modern management and postmodern management.

Since the use of reason is one of the core aspects differentiating modernism from postmodernism, it is essential to define what reason is. According to Peikoff (1982: 305-306) the elements of man’s rational faculty are the senses, concepts, and logic. “They are its start, its form and its method”, he continues. “In essence, ‘follow reason’ means: base knowledge on observation; form concepts according to the actual (measurable) relationships among concretes; use concepts according to the rules of logic (ultimately, the Law of Identity)” writes Peikoff (1982: 306) and continues: “since each of these elements is based on the facts of reality, the conclusions reached by a process

of reason are objective.” The dictionary defines reason as "the power of the mind to think, understand, and form judgments by a process of logic" (New Oxford American Dictionary). According to Peikoff (1991: chapter 2-4) our understanding begins with observations, we form concepts and generalizations, and to ensure that our concepts and generalizations are consistent with each other and reality (which is free from contradictions), we need to think logically.

In this thesis reason will, therefore, be defined as "the ability of the mind to form and use concepts and generalizations, based on observations, by using logic". It will become clearer, throughout the discussion, what it means to use reason in management. But, to give an indication of what it means: Going by what the facts logically imply. If, as an example, the demand decreases, it forces the manager to cut costs or suffer great losses. It implies the manager might have to fire a lot of people. To ignore the facts and instead go by irrelevant aspects such as the feelings of the union leader, when deciding whether to fire people, would be a clear example of rejecting reason in business management.

To use reason means to respect causality, not wishes. If success in business is the goal, then one has to do what it takes, what reality demands; one cannot avoid firing people because of not feeling like it or because it would hurt their feelings. To use reason is to form and apply concepts to one's life.

While reason is the most fundamental virtue of modernism, postmodernism rejects it totally. The fundamental difference between modernism and postmodernism motivates a question: Whether reason is needed in management, or not. The chosen name: 'Reason—do managers need it?' represents the core of the thesis.

2 Goals of the thesis

This thesis represents the discussions about modernism and postmodernism in the field of management literature. It looks into what has been said in the field thus far, including the critical voices. Based on these discussions and the empirical research, this thesis offers a concretization of what modern and postmodern management mean in practice.

The research question is: What does it mean in practice, to apply modern or postmodern ideas to management?

A notable amount of the latest management literature extensively converses on the postmodern ideas. The essence of postmodernism will, therefore, be explained as the core of the literature review. The ideas discussed in the academic literature are often on an abstract level, and there are, to my knowledge, virtually no comprehensive guidebooks on how to consistently apply postmodern ideas to management. For instance, there is a lot of discussion about the void of a stable meaning, but very little concretized information about how this should influence on management practices. Based on the literature discussions, this thesis offers a concretization of what postmodern management is in practice.

The rational approach to management is something more familiar to us. We have lived in the modern world for centuries now, and ought to know rather well what modernism has to offer. Modern management is what many of us still hold as the “normal” or “common sense” approach to management. Modernism represents reason, and thereby the modern approach to management can as well be called the rational approach to management.

While the literature review will lead to defining what postmodern management is in practice, the honor of representing the modern management has been given to real managers. To conduct the empirical research, managers in Saxo Bank were interviewed about their approach to management. Saxo Bank is an extremely successful investment bank, and its management is thereby an ideal case to be researched. Saxo Bank explicitly states rationality as its main virtue. The other virtues it advocates are independence, integrity, honesty, justice, productivity and pride (Saxo Bank 2010). To avoid being biased, the aim of the interview is to find out what is the interviewees’ approach to management—without expecting them to act in accordance with the company’s outspoken ideas.

2.1 The motivation to the topic

This topic was chosen because a notable amount of the latest management literature converses on the postmodern ideas. It has also become popular to teach postmodern ideas in business schools. While postmodernism has been praised and taught, there does not seem to exist a comprehensive guide to fully adapt to the postmodern ideas. Management textbooks have become mixtures of modern and the postmodern. The occasional postmodern ideas here and there within otherwise modern theory, seems inconsistent. Since modernism and postmodernism are total opposites, like night and day, more controversy on the differences could be expected. To fully grasp what postmodern ideas in management mean, it is necessary to remember what the modern ideas have led to, and to enable a comparison between the two approaches. These aspects motivate the topic of this thesis.

The topic is highly important as people are being taught the postmodern ideas at business schools. If a movement or an idea is to become popular within management or any other field, it is essential to fully grasp its principles and what follows from them. Reading fragments of academic articles by different authors is not enough to form a comprehensive understanding of this subject.

This thesis contributes by helping more people become aware of the modern and the postmodern management. It also establishes what it means in practice, to apply modern or postmodern ideas to management. Not only, what are the abstract definitions, but especially how they influence day-to-day management tasks.

2.2 Limitations and conclusions

Due to the limitations of resources it was not possible to interview more managers within various organizations. A wider research could bring further evidence.

One of the limitations is that there has not been found any consistently postmodern organization and thereby there are no observations of such practice in real life. The conclusions about postmodern management are not based on as good evidence as the conclusions on modern management practice. This thesis instead tries to illustrate what it means to apply postmodern theories to management by logically following all

the postmodern claims and showing what results from them. As remains unclear, consistently postmodern companies may not exist because of many contradictions between the philosophy and running a company in objective reality.

This work recognizes, but does not concentrate on the historical roots of postmodernism. The philosophical premises of modernism and postmodernism have only been covered briefly. While different philosophical approaches to management have been described, their effect on customers, society and the world in large have not been explained.

2.3 Structure of the thesis

This thesis consists of seven chapters. The actual research is conducted in chapters four and five: the literature review and the empirical research: both of which add contributions and complement each other. The structure of the thesis is demonstrated on the image below.

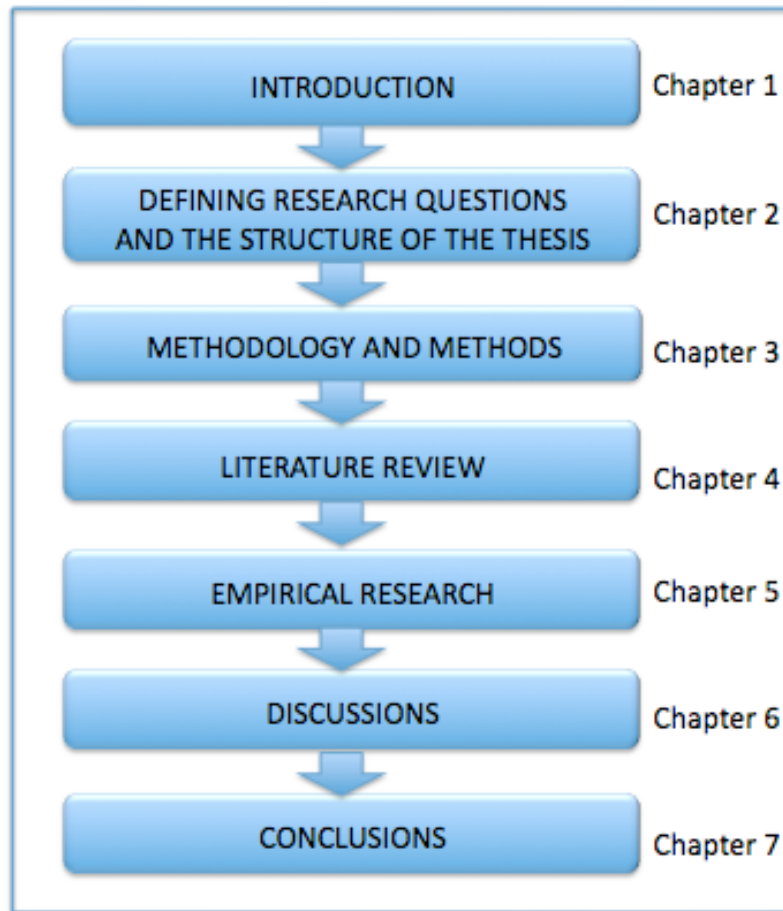


Image 1: The structure of the thesis

The first chapter introduces the reader to the topic of modernism and postmodernism in management. The core issue of the controversy between the two philosophies is presented in this chapter.

The second chapter states the research question. It explains why the topic has been chosen and why it is important. It also explained how this thesis can contribute and who will benefit from it. In this chapter the structure and the limitations of the thesis will be described.

The third chapter describes the methodological position of the thesis and the research methods that were used in the empirical research. Some information about Saxo Bank is also given in this chapter.

The fourth chapter looks into the management literature. The literature review defines what the philosophical premises of modernism and postmodernism are. The nature of postmodernism is further explained and it is concluded, what applying postmodern ideas to management means in practice. The critics of postmodernism have their say at the end of this chapter.

The fifth chapter presents the research data collected by nine interviews with Saxo Bank's managers. The data is presented and analyzed in this chapter.

The sixth chapter discusses the findings of the literature review and the empirical research. The controversy between modernism and postmodernism is taken further, and it is discussed, why philosophical ideas are important to management.

On the final chapter, the essential conclusions are presented. It is shown what it means in practice to apply modernism and postmodernism to management. To avoid repetition, the results have been condensed to their essential aspects. The current state of the intellectual battle is explained on this chapter, and finally the ideas for future research, are presented.

3 Research methods

3.1 Methodological perspective

In this thesis I have applied the Objectivist epistemology as described in Leonard Peikoff's book *Objectivism: The Philosophy of Ayn Rand* (1991: chapters 2-4). What will follow is a very condensed presentation of my perspective.

By "objective" I mean that our thinking is consistent with the facts of reality. Reality is free from contradictions, or as Aristotle put it, "nothing can be A and non-A at the same time and in the same respect". Since there are no contradictions in reality there cannot be any contradictions in our thinking either. Not if it is to reflect reality. How, then, to be objective in our thinking? By thinking logically. Logic is, according to Ayn Rand's definition, "the art of *noncontradictory identification*" (Peikoff 1991: 118-119). Logic

is, therefore, the method of objectivity, of making sure our thinking is consistent with reality.

I reject positivism if and to the extent it means I have to deny the reality of things that one cannot weight or measure. There is no reason to think that one has to study man or his mind the same way one studies physics or chemistry. I think, for instance, that consciousness is real even though we cannot in a meaningful sense weight or measure it. I further think that any attempt to deny this results in contradictions. In my opinion behaviorism, as an example of this approach, indicates how non-objective positivism can be. So, even though my research is qualitative, as are my results, I do not think it makes them subjective. If, and to the extent, I can show that my conclusions correspond to reality, by applying logic, then they are objective.

Some might say that I am not objective because I have a perspective or a conceptual framework through which I interpret my observations. It is true that I have a conceptual framework, but I do not think it follows that one, necessarily, is subjective. The issue is not whether one has a perspective, but whether it is based on reality or not. That is, whether it is objective or not – and whether it can be proven by, again, using logic. Let me use an example to indicate what I mean. If two people observe the same thing but draw completely opposite conclusions because they use different theories to interpret their empirical data, then the question is: What, if any, theory is true? And how do I know it? The same way I know anything, namely by using logic. Are the theories consistent with other proven theories? What, if any, facts give rise to these theories? If a theory is consistent with everything else we know and they can be derived from observable facts, then it is objective, as is the interpretation based on this theory.

As for the argument that all observations are theory-laden, why there are no “brute facts” from which to derive our theories, I think it is outside the scope of this thesis. I have, however, one question: How did the first physicist start? It was not by relying on any theories on physics or reading books on physics or asking another physicist. I think he started by making observations.

3.2 The chosen research methods

This thesis uses qualitative analysis as a research method. It can be justified on the grounds that the topic cannot be studied in numbers. All sciences cannot be studied the same way. The human sciences study what man is, what man does and why, and his world. Humans are volitional and conceptual beings. Their voluntary actions cannot mathematically be measured nor can their actions be explained by the laws of physics. This also explains why qualitative analysis is the most common research method within human sciences. To understand man you have to understand his thinking. The aim is, therefore, to reach an in-depth understanding of the interviewees' behavior and the reasons governing it.

The semi-structured interview was used on this research because it gives the interviewer a flexibility to let the interview proceed on its natural pace and order, the flexibility to form follow-up questions and gain a good understanding of each topic. Some structure was needed to ensure that interviews covered the essential topics. There were four main question themes, and within each theme more detailed questions were asked. The interview proceeded in the form of a discussion. The question themes were about Saxo Bank's philosophy, decision-making, managerial tasks (such as recruiting, rewarding and firing people) and the interviewees' management style.

3.2.1 Data collection

While the literature review will define what postmodern management means in practice, real managers at Saxo Bank will define what modern management means in practice. To conduct the empirical research, managers in Saxo Bank were interviewed about their approach to management. Saxo Bank explicitly states rationality as its main virtue. The other virtues it advocates are independence, integrity, honesty, justice, productivity and pride (Saxo Bank 2010). To avoid being biased, the aim of the interviews is to find out what is the interviewees' approach to management—without expecting them to act in accordance with the company's outspoken ideas.

The empirical data were collected by ten interviews at Saxo Bank's headquarters in Copenhagen, Denmark. The interviewees are managers on different positions, including the Chief Executive Officer and the Chief Economist of the bank. The interviews took from 45 to 90 minutes, were recorded by QuickTime Player and transcribed to text. The names of the interviewees have been left anonymous, in part because their identities are essential and in part because I did not get a clear permission to use their names. Yet, each of the interviews immensely contributed to this research.

3.2.2 Saxo Bank

Founded in Denmark in 1992, Saxo Bank is a global online investment bank specializing in online trading and investment across the international financial markets. Saxo Bank enables private investors and institutional clients to trade FX, CFDs, ETFs, Stocks, Futures, Options and other derivatives via multi-award winning online trading platforms, as well as offering professional portfolio and fund management (Saxo Bank 2011).

From the start, Saxo Bank has emphasized technology as a vital element for being competitive in the online trading industry. With clients worldwide, Saxo Bank is recognized for excellence in service and technology. Safeguarding client information and securely controlling, executing and managing real-time internal systems is of utmost importance to the Bank. A significant team of experienced IT-professionals works diligently to firmly secure all of Saxo Bank's information and operating systems (Saxo Bank 2011). Since 1992, Saxo Bank has been a facilitator in the global capital markets aggregating liquidity, offering access to exchanges around the world and providing its powerful suite of products and platforms to private clients, institutions, banks and brokerages (Saxo Bank 2011).

With net profit of DKK 644 million, equaling about USD 124 million, Saxo Bank announced it had gained its best full-year results ever in 2010 (Eye of Dubai 2011). "Operating income reached DKK 3.3 billion for the Group in 2010, compared to DKK 2.2 billion in 2009. This 50% year-on-year rise in operating income can be attributed to

larger client numbers, increased deposits and high trading activity in the first half of the year” (Eye of Dubai 2011).

3.2.3 Qualitative research

Qualitative analysis means analyzing a non-numerical data collection. Qualitative researchers aim to reach an in-depth understanding of behavior and the reasons governing such behavior. Instead of what, where and when, the qualitative method investigates the why and the how. For instance, while quantitative analysis would ask how many minutes a subject spends on coffee breaks each day, qualitative research could ask if coffee breaks are important, and why.

Qualitative research aims to understand each subject comprehensively. The purpose is to find out new things, instead of just confirming already known facts (Hirsjärvi, Remes & Sajavaara 2009: 161). According to Alasuutari (2007: 38) statistical significance does not matter in qualitative research. Qualitative analysis does not seek to involve a big research group, smaller but focused samples are more often needed and the units studied are often too few for statistical inquiry. The aim is not to find out odds in a big group, but to introduce significant aspects of each individual subject. In qualitative research, all exceptions should be explained, where as in quantitative research, the exceptions do not matter (Alasuutari 2007: 38).

Chesebro and Borisoff (2007: 9) claim that while quantitative research can vary tremendously in its dominant theory, mode of expression, and set of procedures, undertaking the rich diversity of qualitative research studies, all of them tend to share five common characteristics. The first one is that the investigation and data collection are conducted in a geographic location, time, and set of rituals to which the researcher can influence on. The environment is natural, and not intended for the investigation and data collection. When researching natural settings, Hirsjärvi, Remes and Sajavaara (2009: 161) emphasize the importance of context. This means that all events influence on each other and that reality cannot be divided into parts without paying attention to the context.

Second characteristic is that the researcher is a participant. The researcher is perceived as a participant, meaning that while the investigator may be known as a researcher, not all of his or her actions are perceived as stemming from the role of researcher. The third principle is subject-based communication. The subjects are allowed to determine topics of communication, switch from one topic to another, and provide any qualifiers they see fit. The research question does not generate the communication topics, transitions, and qualifiers of the subjects. As the fourth qualifier, Chesebro and Borisoff (2007: 9) point out the intentionality of the subject. This means that the researcher seeks to capture the communication and symbolizing of subjects as the subjects understand and intend them. The last of the commonly shared characteristics is pragmatism. The specific results obtained by the research have immediate utility or produce direct and instant insight into ongoing social processes and out-comes (Chesebro & Borisoff 2007: 9).

The researcher has to be careful when collecting and analyzing data. As Chesebro and Borisoff (2007: 9) have pointed out, the intentionality of the subject is important. The researcher should be ready to address deeper questions in order to fulfill gaps in her understanding. According to Payne (1999: 93) a good interview is not only dependent on asking the right questions, but also on careful listening. The better the researcher is at listening, the better she can form the following questions, and gain in-depth understanding.

The researcher has to avoid affecting the interviewee and his or her answers. As the researcher herself is also a private person, whose personality, beliefs and habits can have influence on the interviewee, she must aim to minimize that influence. The researcher has to be careful of different sources of bias. As Payne (2000: 97) writes, participants may for instance want to sabotage the research, because they feel compelled by their managers to participate in the interview (Payne 2000: 97). To determine and address their agenda may be an essential first step in obtaining good quality data, she continues. Sources of bias result also from poor quality questioning, such as using jargon, leading questions, skipping questions and making assumptions about answers. Even technical problems in recording can become severe problems (Payne 2000: 97).

As Payne (1999: 89) writes, the semi-structured or unstructured interview is the most common method of collecting data for qualitative analysis. “Interviewing is a highly skilled activity, which needs careful preparation”, she continues.

Interview is a unique technique in that the interviewer is in close contact with the interviewee. The biggest benefit of the interview is usually experienced in its flexibility during the data collection (Hirsjärvi, Remes & Sajavaara 2009: 204.)

As the methodological perspective and the chosen research methods have been represented, it is time to move on to the literature review.

4 Literature review

This chapter presents the discussions about modernism and postmodernism in the field of management literature. The aim is to uncover what has been said in the field this far, including the critical voices.

4.1 The basic philosophical premises of modernism and postmodernism

Postmodernism is often held as a new viewpoint of the 20th (and 21st) century. In certain respects, it is. Ghate (2003) shows, however, that it is a logical consequence of philosopher Immanuel Kant’s revolutionary views in epistemology. “As such, postmodernism rises or falls with the cogency of Kant’s basic epistemological approach” (Ghate 2003: 227).

According to Ghate (2003: 232) “Kant is the man who first argued in explicit, philosophical terms that the Enlightenment’s search for objectivity was hopeless and actually misguided”. Ghate stresses that “Kant himself would not admit that he is rejecting the Enlightenment’s project because he does not discard objectivity or scientific knowledge, he merely redefines them” (Ghate 2003: 243).

Postmodernism is a movement wider than philosophy. You will find postmodern thinkers within various fields such as psychology, linguistics, management, etc. What

unites them is that they all mount an attack on the world-view and values of the "modern" world, i.e., the world-view of the Enlightenment. The modern view is, in terms of essentials, that there is an objective reality and we can know it by using reason (observations and reasoning with abstractions based on observations). The result is science (e.g., physics, chemistry) and technology (e.g., our modern industrial civilization).

Any statement or activity, including the action of writing a postmodern account of anything, presupposes at least an implicit conception of reality and values (Hicks 2004, 6). "Any intellectual movement is defined by its fundamental philosophical premises" (Hicks 2004, 5). Those premises state what it takes to be real, to be human, what is valuable, and how knowledge is acquired. In other words, every intellectual movement has metaphysics, a conception of human nature and values, and an epistemology (Hicks 2004, 5). While a postmodernist may lack an explicit philosophy (and may thereby view himself as anti-philosophical), he still has an implicit philosophy and cannot, therefore, escape the logical implications of his basic premises. The situation is the same with modernism: not all scientist and businessmen are explicitly aware of their philosophy, but all their contributions and achievements follows from a philosophy of reason. Without such philosophy, the Enlightenment could have not taken place.

The following table defines the different philosophical premises of pre-modernism, modernism and postmodernism.

	Pre-modernism	Modernism	Postmodernism
Metaphysics	Realism: Supernaturalism	Realism: Naturalism	Anti-realism
Epistemology	Mysticism and/or faith	Objectivism: Experience and reason	Social subjectivism
Ethics	Collectivism: Altruism	Individualism	Collectivism: Egalitarianism
Human Nature	Original Sin;	Tabula rasa and	Social construction

	Subject to God's will	autonomy	and conflict
Where and When	Medieval	The Enlightenment, 20 th century sciences, business and technical fields	Late twentieth century humanities and related professions

Table 1: Defining pre-modernism, modernism and postmodernism (Hicks 2004, 15).

Pre-modernism is represented in this table as a contrast to modernism and postmodernism, but its nature will not be further clarified, as its role in this thesis is non-essential. In the Western world there are virtually no managers who apply pre-modern philosophy of mysticism. As the next step, the meaning of metaphysics, epistemology and ethics will be explained.

Metaphysics is the part of philosophy that identifies the nature of the universe as a whole. It tells men what kind of world they live in, and whether there is a supernatural dimension beyond it. "It tells men whether they live in a world of solid entities, natural laws, absolute facts, or in a world of illusory fragments, unpredictable miracles, and ceaseless flux" (Peikoff 1982, 23). Metaphysically, modernism is based on the premise that there is an objective reality. Postmodernism, instead, holds that it is impossible to speak meaningfully about an independently existing reality. Postmodernism substitutes instead a social-linguistic, constructionist account of reality (Hicks 2004, 6).

Epistemology explains how knowledge is acquired. It says which methods of cognition are valid (e.g., logic) and which to reject as invalid (e.g., faith). "[E]pistemology tells men whether reason is their faculty of gaining knowledge, and if so, how it works—or whether there is a means of knowledge other than reason, such as faith, the instinct of the society or the feelings of a dictator" (Peikoff 1982, 24). When it comes to epistemology, modernism holds that reason is the faculty of gaining knowledge. In short it works so that man perceives sensory material in reality and by making abstractions is able to form concepts. "Human knowledge and human action are conceptual phenomena" (Peikoff 1991, 73). Having rejected the notion of an independently existing

reality postmodernism denies that reason or any other method is a means of acquiring objective knowledge of that reality. “Having substituted social- linguistic constructs for that reality, postmodernism emphasizes the subjectivity, conventionality, and incommensurability of those constructions“ (Hicks 2004, 6).

Ethics is the branch of philosophy that studies values. It defines a code of values to guide human actions. “It tells men the proper purpose of man’s life, and the means of achieving it: it provides the standard by which men are to judge good and evil, right and wrong, the desirable and undesirable” (Peikoff 1982, 24). “Ethics tells a man whether to pursue his own happiness or to sacrifice himself to something else, such as God or his neighbor” (Ibid.). The modernist ethics advocates of individualism. It tells a man to pursue his own fulfillments. The postmodern ethics by contrast advocates collectivism, since values are “created” and defined, as any other social construct, by the group. It, therefore, tells a man not to pursue his own ends but to place the needs of others, as defined by the group, above his own. Postmodern themes in ethics are characterized by identification with and sympathy for the groups perceived to be oppressed in the conflicts, and a willingness to enter the fray on their behalf (Hicks 2004: 6).

Now that the basic philosophical premises of modernism and postmodernism have been briefly explained, the nature of postmodernism will be further explained. The aim is to describe the essence of postmodernism and what it means to apply postmodern ideas to management.

4.2 The nature of postmodernism

Postmodernism’s basic assumptions are that there is no reality we could be sure of, and that knowledge is built in social construction. As result, postmodern theories advocate of skepticism, intersubjectivity and egalitarianism.

Why skepticism? Alvesson (1996: 459) “Some, including myself, do not deny the possible existence of something worth the label ‘objective reality,’ but are more inclined to emphasize that social reality is not external to human consciousness and language use”. The claim is that there might exist an objective reality, but we cannot know

anything about it. We can only know reality as we, as members of a group, see it. If so, then skepticism seems to follow.

How does egalitarianism, then, follow? If everything is subjective, and if each group creates its own reality and “truth”, then there is no objective reason to say that any group or individual is better or worse. Therefore we should treat all groups, all genders and all cultures as of equal value. This implies egalitarianism, the view that everybody is of equal value. Therefore a company should, for example, hire 50% women and 50% men.

According to postmodernism the group in a sense “creates” reality. Therefore the thinking of the group constitutes the implicit standard of “objective” truth. This implies intersubjectivity, not correspondence to reality, as objectivity. So, if something seems true for an individual, but not “universally” then the claim will be rejected as subjective. If only a single individual believes something alone, then it is probably because of some personal or subjective bias. If, however, a claim is verifiable by more than one subjective, it is not merely true to one person, but potentially to everybody. Then it is an intersubjective or “objective” truth.

Do not take my word for it. Here follows some quotes that indicate how various postmodernist thinkers reason.

Michel Foucault states the major targets of postmodernism: “All my analyses are against the idea of universal necessities in human existence” (Foucault 1988, 11). According to Foucault, such necessities must be swept aside as baggage from the past: “It is meaningless to speak in the name of—or against— Reason, Truth, or Knowledge” (Foucault 1995, 2). Deconstruction, Stanley Fish confesses, “relieves me of the obligation to be right ... and demands only that I be interesting.” (Fish 1982: 180).

“The ultimate language of madness is that of reason”, writes Foucault (2001: 90) and continues “The language of reason enveloped in the prestige of the image, limited to the locus of appearance which the image defines. It forms, outside the totality of images

and universality of discourse, an abusive, singular organization whose insistent quality constitutes madness” (Foucault 2001: 90).

Richard Rorty has elaborated on that theme, that it cannot be said that postmodernism is true or that it offers knowledge. Such assertions would be self-contradictory, so postmodernists must use language “ironically” (Hicks 2004: 2). According to Rorty (1989: 7-8) “the difficulty faced by a philosopher who, like myself, is sympathetic to this suggestion [e.g., Foucault’s]—one who thinks of himself as auxiliary to the poet rather than to the physicist—is to avoid hinting that this suggestion gets something right, that my sort of philosophy corresponds to the way things really are. For this talk of correspondence brings back just the idea my sort of philosopher wants to get rid of, the idea that the world or the self has an intrinsic nature.”

Many postmodernist deconstruct reason, truth, and reality because they believe that Western civilization has wrought dominance, oppression, and destruction in the name of reason, truth, and reality (Hicks 2004, 3). “Reason and power are one and the same,” Lyotard states. They both lead to and are synonymous with “prisons, prohibitions, selection process, the public good” (Lyotard, in Friedrich 1999, 46).

According to Hicks (2004: 6) postmodern accounts of human nature are consistently collectivist, holding that “individuals’ identities are largely constructed by the social-linguistic groups that they are a part of, those groups varying radically across the dimensions of sex, race, ethnicity, and wealth”. Postmodern accounts of human nature also consistently emphasize relations of conflict between those groups; and given the de-emphasized or eliminated role of reason, postmodern accounts hold that those conflicts are resolved primarily by the use of force, whether masked or naked (Hicks 2004: 6).

It follows that postmodernism becomes an activist strategy against the exploitation by reason and power. Postmodernism, Lentricchia (1983: 12) explains: “seeks not to find the foundation and the conditions of truth but to exercise power for the purpose of social change.” The task of postmodern professors is to help students “spot, confront, and work against the political horrors of one’s time” (Lentricchia 1983: 12). Those horrors,

according to postmodernism, are most prominent in the West, Western civilization being where reason and power have been the most developed (Hicks 2004: 7). The pain of those horrors is neither caused nor suffered equally. Whites, males and the rich have their hands on the power, and they tend to use it at the expense of women, racial minorities, and the poor.

“Postmodernism, as its name implies, criticizes and seeks to overthrow the established intellectual position” (Donaldson 2003: 169). It argues that the attempts to construct general theories in social science must fail (Donaldson 2003: 170). “Rules for science that claim to show the ultimate or superior way to objectivity and rationality,” writes Alvesson, “has so far not proven to be uncontested or reliable in the long run . . . Data are never pure, free from theory, language and an interpretive bias, they are always constructed in terms of a particular framework, prestructured personal and cultural understanding, vocabulary and perspective” (Alvesson, 1996: 460). According to postmodernism all generalizations are false and should be replaced by local small stories (Calàs & Smircich, 1999). “Postmodern literary criticism becomes a form of subjective play in which the reader pours subjective associations into the text” (Hicks 2004: 16). In another version, objectivity is replaced by the view that an author’s race, sex, or other group membership most deeply shapes the author’s views and feelings.” (Hicks 2004: 16). Postmodernism denies that a scholarly text has any stable meaning also because of all the possible interpretations that are all valid to somebody. It says that texts are choices of particular words, which silence or suppress the other words that could have been used. Yet, texts are political acts that marginalize and suppress certain views and social groups, while privileging others (Calàs & Smircich, 1999). As follows, it is a process of power and knowledge, as knowledge and power are inextricably bound up with each other. By deconstruction and other techniques, postmodernism aims to give power to the silenced views and social groups (Calàs & Smircich, 1999).

What does all of this, more specifically, imply in practice? That is what we will deal with in the next section.

4.2.1 The postmodern ideas in management practice

So, what does it mean, then, to consistently apply postmodern ideas to management?

As this question will be elaborated in this chapter, the essential views are highlighted instead of representing single theories. The principles of the modern management are familiar to most and thereby modernism will be represented only as comparison to postmodernism. As a few different management aspects are investigated, the emphasis will be on the postmodern side.

Calàs and Smircich (1999, p. 650) have recognized four characteristics of postmodernism as having been particularly influential in organizational theorizing: “incredulity towards metanarratives, the undecidability of meaning, the crisis of representation, and the problematization of the subject and the author.” These characteristics will be included in the following.

The essential differences between modern and postmodern management have been condensed to the following table. These aspects will be discussed in this chapter.

<i>Management aspect</i>	<i>Modernism</i>	<i>Postmodernism</i>
Decision-making	Individual mind/minds	Group action Democracy
Strategy	Objective Goal-oriented	“Aimless” Uncertain Nurturing chaos
Communication	Communicating facts as they are	Small local stories
Recruitment	The most potent individuals	Equally, -women/men -religious/atheist -abled/disabled -black/white -old/young -homosexual/heterosexual

Arranging work	Individual responsibility	Groups
Rewarding	Based on performance	Equal rewards to all
Employer-employee relationship	Win-win	Employee always subject to employer's power Empowering trade unions

Table 2: Management on modern and postmodern principles

Decision-making and strategy

According to postmodernism “reality” is a collective creation, a group product. How does this view influence on leadership studies? “It is important to realize that leaders, subordinates as well as measurements of various qualities, feelings and outcomes are subjective and social constructions and not simple reflections of objective reality” (Alvesson, 1996: 464).

Since objectivity is impossible, and there are no means to set objective goals, it naturally influences on decision-making, the direction and the strategy of the organization. To be efficient, management has to answer questions such as: Is globalization good or bad? Should the company expand or decrease in size? Should the company lay off people, or rather go bankrupt? What is the role of an organization? If all answers are subjective, there is nothing to guide managers. Ambiguity replaces certainty.

Since egalitarianism is implied in postmodernism, everybody's interpretation is equally right. It problematizes virtually everything we have learned about the modern management. There are no means to be objective, and thereby no means to be goal-oriented. A postmodern manager is thereby a nurturer or a caretaker of chaos, rather than a manager organizing the work, or a leader showing others the way. No other way could be possible, if everybody is equal. Manager is not the “king”, nor does he have the right to use power on others.

Communication

The doubt towards universals, and a disbelief in grand narratives or grand stories leads to hostility towards metanarratives. Instead of metanarratives, postmodernists advocate “small stories”(Calàs & Smircich, 1999: 651) that illuminate localized events (Calàs & Smircich, 1999, p. 652). A postmodern manager communicates by telling small stories instead of seeking to state things as they are. Writing reports about facts would be contradictory, as there are no stable meanings.

The argument that meaning is undecidable is developed by explaining that there is no stable meaning of a text, or in the intentions held by the author of the text (Calàs & Smircich, 1999: 653). According to this view, there is no stable meaning of a scholarly, or any other, publication, because any text has many possible interpretations (Calàs & Smircich 1999: 653). If any text has many possible (an equal) interpretations, then, as an example, the manager is unable to communicate by writing an email. Even if the intentions of the author could be identified, it would not settle meaning, because “...the minute the work leaves the author’s hands it becomes a public document...The document is meaningful only because it can be read by others, and once this happens, the author becomes just one interpreter among other readers” (Calàs & Smircich, 1999, p. 653). This culminates the essence of the problematization of subject and author. What does the crisis of representation mean, then? Calàs and Smircich (1999, p. 653) write: “Modern knowledge (or theory) is presumed to represent some form of stable phenomena existing outside their representation.” In contrast, postmodernism, according to Calàs and Smircich (1999: 653), denies such representationalism.

Arranging the work

Deconstruction (of meaning) “relieves me of the obligation to be right ... and demands only that I be interesting.” (Fish 1982: 180). If there is no possibility and thereby obligation to be right, responsibilities will diminish as impossible. Groups will be held responsible instead of any single individual. Ghate and Locke (2003: 255) explain that denying objective reality and praising the group as the creator of “reality,” postmodernism denigrates the importance of the individual. “According to postmodernism, man is not an autonomous agent who possesses free will – i.e. a

reasoning mind capable of reaching truth by adhering to reality” (Ghate & Locke 2003: 255). Applying the idea that man is not an autonomous agent means that he cannot function independently without a group. It follows that all work should be done in groups. It also follows that decision-making should always be a duty of a group. A manager cannot make decisions all by herself, but should always ask the group. The bigger and more versatile the group is, the better, as different cultures, genders, ages, and so on, add value. It follows that the best kind of decision-making involves everybody in the organization. To be able to make a decision, democracy has to be achieved. Everybody should have a say on everything. Once again, manager is not the king.

Recruiting and rewarding

Modern management holds aspects such as age, nationality or gender as non-essential. Modernism subscribes to individualism, which does not hold that a person is imprisoned by such traits. A person is hired because of his competence, not because of any unessential feature. In the mean while, egalitarianism guides the postmodern management to hire all groups equally, treat them equally, fire them equally, etc. It follows that multiculturalism and feminism are important aspects to be contemplated on.

Here is another example of how egalitarianism is implied in postmodern management. If the group is all that counts, since the group creates reality and truth, and "thinks", then a manager cannot give individuals the credit for their individual achievements. As follows, everybody in a group, for example all the employees, should receive the same bonus for the group's achievements, even if it was in large achieved by a minority of the individuals.

Employer-employee relationship

Modern management is based on the principle that “men deal with one another, not as victims and executioners, nor as masters and slaves, but as traders, by free, voluntary exchange to mutual benefit (Rand 1998: 4). By this view, the employer-employee

relationship is one of mutual benefit as well. It cannot be said that all modern thinkers subscribe to this claim, but so did at least John Locke, Adam Smith, John Stuart Mill, and David Ricardo. Postmodern thinkers instead have problematized the relationship between the employer and the employee. According to postmodernism, knowledge and power are inextricably bound up with each other. It follows that the relationship between the employer and the employee is one of dominance. The employee is seen as subject to employer's power. Trade unions are empowered to stand up for the powerless employees. Postmodern management may apply deconstruction and other techniques, to give power to the silenced views and social groups (Calàs & Smircich, 1999).

4.2.2 The critics of postmodernism

The opponents of postmodernism are many. All aspects of postmodernism have been heavily criticized. Some of the critic will be presented as the next step. Is it possible to defend reality, reason and objectivity against the assault of postmodernists? According to Ghate and Locke (2003) it is possible. "We offer Ayn Rand's philosophy of Objectivism as the antidote" (Ghate & Locke 2003: 260)

My philosophy, Objectivism, writes Rand (1998: 3), holds that:

1. Reality exists as an objective absolute—facts are facts, independent of man's feelings, wishes, hopes or fears (Rand 1998: 3).
2. Reason (the faculty which identifies and integrates the material provided by man's senses) is man's only means of perceiving reality, his only source of knowledge, his only guide to action, and his basic means of survival (Rand 1998: 3).
3. Man—every man—is an end in himself, not the means to the ends of others. He must exist for his own sake, neither sacrificing himself to others nor sacrificing others to himself. The pursuit of his own rational self-interest and of his own happiness is the highest moral purpose of his life (Rand 1998: 3).
4. The ideal political-economic system is laissez-faire capitalism. It is a system where men deal with one another, not as victims and executioners, nor as masters and slaves, but as traders, by free, voluntary exchange to mutual benefit. It is a system where no man may obtain any values from others by resorting to physical force, and no man may

initiate the use of physical force against others. The government acts only as a policeman that protects man's rights; it uses physical force only in retaliation and only against those who initiate its use, such as criminals or foreign invaders. In a system of full capitalism, there should be (but, historically, has not yet been) a complete separation of state and economics, in the same way and for the same reasons as the separation of state and church (Rand 1998: 4).

Ghate (2003: 231) asks: "if the idea that the human mind cannot achieve objectivity is the foundation of postmodernism, why does postmodernism accept this idea?" You will rarely if ever find an answer to this question in the writings of postmodernists (Ghate 2003: 231). Of course, many postmodernists are unconcerned by the absence of an answer, since they reject the need for and possibility of rational argumentation for their own (as well as anyone else's) views. (Ghate 2003: 243)

If there is no world or self to understand and get right, then what is the purpose of thought or action? (Hicks 2004, 2). Having deconstructed reason, truth, and the idea of the correspondence of thought to reality, and then set them aside, there is nothing to guide or constrain our thoughts and feelings (Hicks 2004, 2). This means that we can do or say whatever we feel like.

Hicks (2004: 184) emphasizes that postmodernists use contradictory discourses as their political strategy. "In postmodern discourse, truth is rejected explicitly and consistency can be a rare phenomenon." He represents the following pairs of claims:

1. On the one hand, all truth is relative; on the other hand, postmodernism tells it like it really is.
2. On the one hand, all cultures are equally deserving of respect; on the other, Western culture is uniquely destructive and bad.
3. Values are subjective—but sexism and racism are really evil.
4. Technology is bad and destructive—and it is unfair that some people have more technology than others.
5. Tolerance is good and dominance is bad—but when postmodernists come to power, political correctness follows (Hicks 2004:184).

There is a common pattern: Subjectivism and relativism in one breath, dogmatic absolutism in the next (Hicks 2004:184).

Postmodernism argues that the attempts to construct general theories in social, including organizational, science must fail (Donaldson 2003: 170). If there were no theories to rely on, then postmodernism has to be rejected too. If the postmodernism doctrine about words never representing reality is correct, then empirical science is impossible. And, indeed, according to postmodernism, all scholarship is just a power play (Calàs & Smircich, 1999). If what they claim is true, then there is no reason to write a text of any kind. Why do postmodernists then keep on producing texts?

According to postmodernism the conventional view of a text as seeking to communicate a message from an author to a reader is false. As an example, if many people read the same news article about an ice hockey game between Sweden and Finland, all the readers are supposed to make their own interpretations about the news. Some of them think that Finland won, some that it was Sweden, some of the readers think the news is about racism, some think it was about ice. If this was true it would be fairly impossible to communicate any message at all. Donaldson (2003: 171) states “while more than one interpretation may be made of some texts, many authors strive to reduce the ambiguity of their texts, and many texts communicate their message more or less clearly, so that meaning is not inherently, highly undecidable.” While the meaning of words is affected by the meaning of other words, in science observation statements about the world give discourse empirical content. While texts use some words and not others, this does not necessarily silence or suppress other views (Donaldson 2003: 171).

Postmodernism has often been accused of being inconsistent. “Even the postmodernist has an implicit philosophy, one that must contradict his espoused ideas – or else he would not even be able to safely cross the street, much less survive long range” (Ghate & Locke 2003: 270). If one holds that everything is subjective and a matter of different interpretations, then he will treat threats to his life such as poison, a wild beast or a pointed gun as subjective. Same follows to values: it doesn’t matter whether to eat, sleep and take a vaccination—or not. Virtually no postmodernist goes that far abandoning reality. When a speeding car approaches them on a sidewalk, instead of

wishing it away, or ignoring it, they jump out of its way. This means that it is impossible to be consistent with postmodernism. Even the postmodernist must implicitly accept the objective reality in order to survive. It is not true barely to individuals, but to organizations as well: if objective facts are being ignored, and decisions are based on different groups' feelings and subjective interpretations, the organization will not flourish for long.

According to Ghate and Locke (2003: 270) "Philosophy is not an academic word game but a necessity of survival. The postmodernists, who turn philosophy into mindless linguistic manipulations, have no right to expect that any rational person will pay them the slightest heed."

While studying the academic literature, it has become clear that many postmodernists must be well aware of their own contradictions, as the opponents keep on pointing them out.

Now that the academic voices have been reviewed and elaborated on, the next step is to move on to the empirical research and let real management practitioners represent their approach to management.

5 Empirical research

5.1 Representing the data

Saxo Bank's managers aim to be consistently rational, providing this thesis with a good example of rational management. Saxo Bank's approach to management is no surprise since it is in accordance with their explicit philosophy—Objectivism. (See the condensed description of Objectivism on chapter 4.2.2)

The interviews consist of four main themes, which are Saxo Bank's philosophical ideas, decision-making, tasks of people management (such as recruiting, rewarding and implementing company culture) and the interviewees' approach to management. The results will be presented in this order, going through these themes and presenting the

interviewees' thoughts. The names are not used, but instead the managers are being referred as numbers from one to nine.

5.1.1 Saxo Bank's ideas

The managers interviewed were allowed to speak freely about Saxo Bank's philosophy, they spoke especially about their ethics, which include seven virtues: rationality, honesty, integrity, productivity, independence, pride and justice (Saxo Bank 2010).

Many but not all Saxo Bank's managers subscribe to the philosophy of Objectivism by Ayn Rand. To remind the readers of what it means metaphysically and epistemologically, Rand (1998: 3) holds that: "Reality exists as an objective absolute—facts are facts, independent of man's feelings, wishes, hopes or fears." And that "Reason is man's only means of perceiving reality, his only source of knowledge, his only guide to action, and his basic means of survival" (Rand 1998: 3). The data collected on the interviews presents that the most influential people in the company subscribe to Objectivism. The philosophy in itself is rarely discussed in the company, but its ethics, especially the seven virtues are familiar to all the employees.

According to manager 1: "We want to listen to people and learn if they have good ideas. We have been inspired by Jack Welch and Ayn Rand. We did not formulate the seven virtues, they were formulated by Ayn Rand. We often call them values here in Saxo Bank." He continues: "When we read *Atlas Shrugged* in 2002, we realized it was exactly how we felt and in that sense it helped us to be more explicit about our thoughts. We decided to print it and use it proactively to shape our business culture." Manager 3 explains how he experienced Saxo Bank's explicit ideas: "When I started here, my boss suggested I would read a book (*Atlas Shrugged* by Ayn Rand) before starting. I was surprised at first, I was wondering what kind of brainwash this is, but soon realized that I had always subscribed to the ideas." He continues: "The philosophy is the absolute foundation of Saxo Bank's success. Saxo Bank is a success story, and we are contributing to the society. We are pouring millions of tax kroner into Danish society. We are only able to do that because of our rational philosophy. I cannot imagine Saxo Bank striving on any other philosophy." Manager 4 says: I agree with the company

values. They are my own values. This makes me feel I am working for something bigger than just my job.” Manager 3 states: ”I think our philosophy has played an important role in our success, but if you take an average employee today and ask them if they are familiar with our Objectivist ideology, they would probably say no. They are aware of our values, but the intensity of schooling these values was much bigger 3 years ago.” Manager 6 explains his position: ”I applied for this job, because I thought Saxo Bank was an interesting company with entrepreneurial spirit, that I found fascinating. I was familiar with the company values.”

5.1.1.1 Saxo Bank’s ethics—the seven values

Manager 2 elaborates on Saxo Bank’s company values: “Rationality is our main value, because the other values are derived from it. As an example, if you are rational, then you are honest too, because when you look at it in long term you realize that lying is not rational.” He continues: “My hobby has always been physics, and if in the physics world you believe there is no actual reality, then what the hell can you do.” Manager 1 reminds: ”Rationality is what sent people to the moon, built the car and the building, it is what secures the lives that humans have today compared to the Stone Age.”

According to manager 5: “Honesty means transparency. When people know what kind of a deal they are going to get, that is honesty. It may be a good or a bad deal, but as long as the facts are shown one can make up their own mind.” Manager 6 explains another benefit: “If something goes wrong and you disagree with what is happening, it is often difficult for an employee to say what is his or her honest opinion. It seems like not following an order. But when I know that one of the company values is honesty, I can always say what I think and explain why.”

Manager 4 elaborates on integrity: “If you promise you will do something, then integrity dictates you to deliver and do it, regardless of your own personal freedom.” Manager 9 explains: “Integrity means that you apply your ideas to everything you do, and never sacrifice them.” Manager 8 states that: “Integrity is one of the many things you must have to be successful.”

Manager 3 says: “Every time a new person was joining the Bank in my department, they were very surprised to see how productive we actually were. They were very impressed by it.” Manager 7 explains: “We don't have resources lying around, waiting to be used. They are fully used to 110 % capacity.” According to manager 4: “Everybody here knows they are held accountable for what they do.” He adds: “I'm allergic to people not delivering what they have promised.” “Performance counts”, says manager 1.

According to manager 5: “If you have proven to manage your own work, your boss will not look after you to make sure you make things right.” Manager 3 explains: “Independence is not only important in the way you shape your job yourself, but also especially as a chief economist or a strategist, it is important to make up your mind about the market and have the courage to actually say something different from what the other banks are saying.” “We encourage to take the ball”, says manager 6. Manager 10 thinks the same: “I think this culture actually grows independent thinking, and encourages taking responsibility.” Manager 5 adds: “The company values perhaps attract the kind of people, who think independently.”

Manager 3 tells: “I have managed to market Saxo Bank as an independent bank. We were ranked Denmark's national bank number one. I had some pride in that. Pride is important. You cannot be satisfied or happy without having pride in what you do.” Manager 7 explains: “We are making it through the financial crisis. We have made it through a newspaper campaign against us. We are still here and we are still delivering. If we look at it objectively, then that is a confirmation in itself. We have reasons to be proud.” Manager 4 states: “I think people are in general proud to work for Saxo Bank.”

What about justice, the last one of Saxo Bank's values? Manager 2 states: “Justice means fair treatment. I want fair treatment.” Manager 9 says: “I do not keep quiet if I see something wrong. I also want to give good feedback when I see something good. This is justice.”

All the interviewees explicitly stated they subscribe to the seven virtues known as Saxo Bank's company values. They acknowledged that not everyone in the organizations is

familiar with them, but the interviewees held that if the values were well explained, most would subscribe to them.

5.1.1.2 Metaphysics, epistemology and politics in Saxo Bank

Manager 1 explains his position to the bank's rational philosophy, Objectivism: "Our philosophy is not only a business thing: it is a life thing, pursuing happiness. It is not about expecting others to bring you what you need, but achieving the joy of the free trade. To me that is a beautiful thing. I think it works well in business and in your personal life." Manager 2 says: "We present the philosophy, but we're not religious." Manager 5 demonstrates: "I know for fact that some of the people who work for me do not agree with all of the company's ideas, but it does not matter as long as they do their job."

Even though the philosophy of Objectivism is not explicitly discussed in Saxo Bank, based on the interview data most of the managers take Objectivist metaphysics and epistemology as self evident in everything they do. Manager 2 says: "We don't buy into notions such as I feel this and that. Have you got some facts to suggest? When we talk about something professional, we talk about facts." He continues: "We don't believe in whims and mysticism. We don't like the exchange of lack of knowledge."

Manager 1 wonders: "I can't see how you can run anything successfully if you don't accept reality." Manager 7 states: "If I had a belief that there is an almighty up there, who decides what I want to do, they would probably have to lock me away somewhere. I like to believe I am in charge of what I do. For better or worse—mistakes happen." Manager 2 continues: "I absolutely have issues with the notion that reality is relative or does not exist, and we cannot know the truth. That is absolutely crap in my view. That's the value proposition that runs through this company."

Manager 1 elaborates on his thoughts about postmodernism: "I think it is pretty horrifying that there are so many postmodern ideas around. What it boils down to is that people say one thing, but act another way." He continues: "Sure people claim there are many kinds of realities, but if you don't eat you get hungry."

Even in politics Saxo Bank's managers' thoughts are aligned with Objectivism.

Manager 2 states: "We adhere to the belief that only free markets allow individuals to be free. That's our basic value." The high taxation and government regulation in Denmark gets to be criticized by most of the interviewees. Manager 2 asks: "Who is the state?", and explains: "It is some kind of committee of an arbitrary majority right now in position of 51 % of the votes, who then decides in behalf of everybody."

Manager 2 presents: "We agree with Ayn Rand: We don't believe in big government, we think that freedom is only preserved if we have property rights, free markets and free individuals." He continues with an example: "The Singaporean is now on average much wealthier than a Swedish or a Danish person. Taiwan now has the same average income as we have in Denmark, and Hong Kong is 40 % ahead of Denmark. They are overtaking us, because they are being rational and we are being irrational", says manager 2. According to manager 1: "it's close to being immoral, if you support a country that behaves like Denmark." How dare they be this honest, one could ask. According to manager 2 this is nothing new: "Saxo Bank is very explicit about its ideas and supports free markets and free speech. We don't keep it secret what we think. We are actually very active: we print books, support a couple of political parties in Denmark as well as some liberal think tanks." Manager 4 says. "We are contributing so much to the Danish society, and still people keep pointing fingers on us, so it is not impossible that some day Saxo Bank might get enough and move out".

5.1.2 Decision-making in Saxo Bank

The second question theme was about decision-making. Managers spoke about their approach to making decisions and gave examples of tough decisions they had made in their work.

Manager 6 shares his view: "I make straight decisions. I think people in this company get very frustrated if they have a manager who can't make decisions. My view is that managers are very capable of making decisions. It will show in their teams, if they are not. I respect a wrong decision more than no decision at all."

Manager 5 thinks that: “In Scandinavia people have a tendency to talk things to death, and that's not my natural way of moving. I would always prefer a smaller group with a clear direction.” Manager 2 states: “I'm willing to take the responsibility of being right or wrong. I'm not looking for the group to take responsibility. I do not think a group can bear responsibility, it is the individuals who do it. You cannot just shrug it off your shoulders saying the group decided.” According to manager 1: “The leader is responsible for making a decision.”

Manager 2 illustrates his approach to decision making: “Feelings are important, but they have nothing to do with whether a business should do this or that. For instance, when thinking about establishing an office in India, feelings are not the means to know what to do. You have to know about it, have been there, know the statistics, to be able to compare them, and so on. Those are the means to make the decision.” Manager 5 says: “You have to put aside your feelings, whatever the conflict is, and look at what the real problem is, and what is the best way to fix it. It's not always that easy, but a good starting point.” Manager 2 thinks that: “The reason why the founders of Saxo Bank have been able to strive together for nineteen years is that they have always tried to keep emotions out of business, and instead have always talked about the facts: is this right or wrong.”

Manager 4 describes a decision-making process he has gone through: “Couple of months ago I had a difficult situation when I had to fire somebody. The decision was based on a high degree of objective observations, feedback from various stakeholders and my own rational judgement, in accordance with the company guidelines.” He continues describing his approach to decision-making: “I usually make decisions by myself. Only if I am in a real doubt I'll ask somebody to help me out. There are two sides: you accept the risk of being wrong, but the upside is the freedom, you get the responsibility, you are the man calling the shots, there is nobody else. Of course if I make a wrong decision, my boss will go chasing on me. But he trusts me.”

Manager 6 tells about a media crisis he managed last year, which involved disappointed people. “I had to make a lot of decisions. I definitely took some wrong ones, but

probably more good ones. All in all, I think I did quite well. When I could not control the crisis anymore, I listened to people and hired an agency to come in and give me an overview of how bad the situation was, and what to do. I think it was a rational decision”, he explains.

Manager 7 describes his approach to market related decisions: “There is a decision-making process when considering new projects. Once the plug was pulled because there was a big risk involved. Then we introduced discipline. Discipline and risk management are extremely important, they help save the future of the bank: constant revenue, not too much risk, and how much of this project, which costs X amount of millions, can we put in as contingency, are things to be considered. If that contingency is too high, we will not do the project unless we find how to do it better. Discipline is extremely important in markets: it means that you work within the confines of what amounts you are allowed to trade, what amount the risk management lets you to have, and so on.”

Manager 3 explains what is essential in his daily decision making: “My work has had a lot to do with modeling: mathematics and logic have a lot to do with that. Using statistics, reading and making up my own mind have been essential in my work. We predicted that Iceland would go bankrupt, and we also said that 2008 we would face a recession and the stocks would fall 25 %.”

Manager 5 explains how he decides whom to hire in the organization: “I do technical interviews, because people in my department need to have a certain level of knowledge. I am looking for commitment, engagement and want to make sure a person wants to work here. I look at possible experience and education.”

Manager 8 comments on how the decision-making process was in 2008 before the economic downturn, when the company had to lay off 45 % of its employees: “Deciding who to fire was tough, but we analyzed by two standards: who were the most important to the organization as it was at that moment, and who were the most important ones to help the company grow in the future. Had we done it totally random, as managers of this company, we would have given away total control. The consequences of the lay

offs were not nice, but the decision as such was rational, and needed to get us where we are today.”

5.1.3 People management in Saxo Bank

The third interview theme was about managing people and related tasks such as recruiting, rewarding and lay offs. Managers spoke of their views and explained how they have arranged such managerial practices.

Manager 1 says: “Employees cannot only work for us and fulfill the goals just for our sake, they will have to see benefits from their point of view as well.” According to manager 5 ”What can I get from being in Saxo Bank, how can I contribute, and how will this make me happy, are the questions people need to address alongside with what their role is.”

When it comes to recruitment, manager 2 wants to clarify an aspect: ”We are not discriminating against women. Even if there are more men as managers in this Bank, it is only because such is the recruitment base in the finance world. Nobody thinks about whether somebody is a woman or not. I do not care. I really, really do not care. It is uninteresting. The same goes with color and other irrelevant aspects.” According to manager 5: ”The interview process is quite informal and short. It's not a many-stepped process. I have to trust my own judgement.” Managers in different positions mention different essential aspects in hiring a person. According to manager 9: “Attitude is the most important aspect when I hire a person.” Manager 2 says: “We care about whether you are a good person, honest and easy to deal with.” To manager 6 “Qualifications matter first of all. Secondly one has to be hungry enough to survive. I need someone who performs.” Manager 5 does technical interviews “because people in my department need to have a certain level of knowledge. I am looking for commitment, engagement and want to make sure a person wants to work here. I look at possible experiences and education.” Manager 3 holds it important that the applicant is able to subscribe to the seven values, and most importantly is able to think independently. Manager 7 says: “In hiring a person, I think the key is not being misleading. When we have defined the roles

and the values, then it is as much about meeting of minds as much as it is about filling a role.”

Saxo Bank had to fire people in 2008, before the economic downturn. In this decision-making process it did not matter what the job titles were, whether people had children, how long they had been in the company, or if they were personal friends with the company founders. Neither did employees’ race, gender or age influence on the managers’ decision-making. According to manager 2: “The only way to be fair to people is to look at what their contribution to the future organization is. All other features are unfair and discriminating on irrational terms.” Manager 3 shares his view on the lay offs: ”It's not a nice thing to fire anyone, but this is a company owned by the shareholders, it is not here for the sake of the employees, but for the sake of the shareholders.”

“Saxo Bank is good at rewarding. We want to pay for the value we gain, and keep it motivating for the employees. It's not like in the government jobs, where your pay, job title and office depends on how many years you have been in the company”, manager 8 explains. Manager 9 admits: “It is no secret that we are paid well”. All the interviewees subscribe to Saxo Bank’s way of paying all employees on individual basis. Manager 8 is the only one who adds: “Even though I think the reward system is just, I think the paychecks could be a little bit more aligned with job titles.” Manager 2 reminds: “This is not a democratic party. Rewarding is not a question whether we are equal or not, it is a question of whether a person is worth of his salary.” Manager 3 elaborates on the matter: ”There are clear differences between performances. I would say not paying people different salaries is unfair, because it kills motivation. Sometimes it is difficult to measure all results, but we measure as much as is relevant.” According to manager 5: ”We have people here who work very long hours and put a lot of their time into ensuring the bank is doing the best it can, and we have people who are not as committed and work from nine to five.” ”People are different, which is great”, says manager 7. Manager 5 elaborates on a rewarding practice: ”Each individual trader is measured. The individuals gets paid according to the results, but also based on their attitude, contributions to teams and processes, and identifying what needs to be changed.” Manager 6 is happy with the reward system: “I am sure that my colleagues get the pay

they deserve”, he states. Manager 3 explains Saxo Bank’s relationship to labor unions: “We have an agreement with a labor union, which I am not part of. It is a new thing compared to our competitors. I think we got this agreement back in 2005, so we were probably among the very last to have an agreement.”

5.1.4 Saxo Bank’s approach to management

On the last interview theme, interviewees explained their approach to management and spoke about their roles as managers.

Manager 2 explains his view: “I don't believe people are always looking for a nurse or a coach. They might as well be looking for guidance, decision-making, clear attitude, and so on.” Manager 5 adds: “People here are specialists, highly educated and very clever. They certainly don't want micro management.” Manager 7 states: “I like people and I believe it is people who drive this bank and make it what it is.” I have noticed with my employees that the more freedom they get, the better they perform”, says manager 4. He emphasizes how committed Saxo Bank’s employees are: “Once there was a live incident, an issue in the online functions. Just one guy in the team could fix it, but all others sat behind him just in case they might be able to help him. This sense of ownership and discipline is remarkable. None of them had dinner that night. This was unheard of in my previous job. This kind of a culture I've tried to build myself.” Manager 7 thinks that defining values and setting them as part of being an employee in the bank is an important task of management. Manager 6 agrees and states: “I think it is very important for a new company to build itself up with values.” Manager 2 explains how the values are implemented: “Keep hammering the same ideas. Print Atlas shrugged. Introduce the seven values.” According to manager 8: “It is interesting when a corporate culture is more than just a job, that you are here for more than just earning money. You are building something new.”

Manager 6 tells about his role as a manager: “My main task as a manager is to set the course. Always to know what direction we are going to and to be able to explain why. Never be too proud to change the course.” He adds: “I think as a leader it is very important to know what you are good at and what you are not good at.” Manager 4 tells

about his role as a manager: “I am super rational. I don't underestimate the issues my employees have, but I am not into discussing them for hours and hours. I expect clear answers, either they can or cannot deliver something. I'm more of a product or project manager rather than a people manager. That is my weak side.” Manager 7 states: “I'm a learner by doer.” Manager 3 mentions: ”I am a coach type. I explain what I am expecting and how I expect my employees to achieve the goal. I am providing them with the milestones.” Manager 1 states: ”We have always enjoyed building the business. We are entrepreneurs by heart.”

Manager 2 does not advocate of a tight and formal spirit in the office. “I encourage people to have fun and to be silly. The high noise level on corridors is a good sign. The real silliness is totally different: it is thinking you can make the decisions on feelings.” He continues: “In Saxo Bank one can say what they want, without having to think about whether it is politically correct.” Manager 7 encourages people to be observing and learn from mistakes: ”People say don't look back, but I cannot subscribe to that. You move forward, but if you do not look back you will not understand what it is you have actually done and what you could do better, and what you have done that you need to keep doing.” Manager 2 emphasizes: “People are not machines. Everybody makes mistakes. When you know there is no bad motive, you can tolerate a lot of mistakes. But if you are looking for the reason why the mistake was made, as searching for a bad motive, that is not good.” Manager 8 knows how to minimize misunderstandings: “It is highly important to communicate the expectations, as well as the vision and direction.” Manager 7 emphasizes the meaning of having goals: “We always make sure to have short term goals and a long term strategy.”

5.2 Analysis of the interview data

The goal of the empirical research was to investigate Saxo Bank's managers' ideas, and to let them represent management on the modern principles. As it has occurred, Saxo Bank's managers either implicitly or explicitly subscribe to the philosophy of Objectivism. It is not regarded as essential, whether all of them are aware of their philosophical premises, or explicitly know what their philosophy is. What matters in

this research is that they work on the premises of the modern philosophy, and that those premises are the foundation of all their actions.

The philosophy of Objectivism is not synonymous with the modern philosophy. Modern philosophy consists of its premises, those premises that enabled the Enlightenment. Objectivism shares all fundamental premises with the modern philosophy, and thereby it can be regarded as modern, even though it was created in the 20th century by Ayn Rand, and not before the Enlightenment. If we look at the details, there are some differences between Objectivism and modernism, but those details do not matter for the purpose of this thesis. What matters in this context are the fundamental premises that there is objective reality and that reason is the faculty of gaining knowledge. To my knowledge Objectivism is the logically most consistent example of modernism.

Now that it has become clear that Objectivism represents the modern philosophical premises, Saxo Bank seems to offer an excellent example of what applying modern ideas to management means in practice. Though, before running into conclusions it has to be made sure, whether Saxo Bank's managers actually apply modern ideas to management, or if it is only rhetoric. The aim of the interviews was to find out what the interviewees' approach to management is—without expecting them to necessarily act in accordance with the company's outspoken ideas. What became clear from the data is that the interviewed managers consistently applied all the company values to their work. All the interviewees held those values as highly important. Rationality is the first one of Saxo Bank's company values. By using reason to everything they do, they must either implicitly or explicitly hold that there is an objective reality and that reason is the means to knowledge. Using reason is possible only on those premises. As the interviewees state, rationality is their main virtue or a company value, and their other values can be derived from rationality. Thereby it can be concluded that it is the modern ideas that influence Saxo Bank's management. The interview data is full of statements further proving that. Everything said in the interviews was in accordance with the philosophy—there were no outstanding contradictions.

5.2.1 The modern ideas in management practice

How the modern approach influences on different management aspects has already been briefly described in the literature review. The interview data enables concluding more specifically what kinds of management practices result from the modern/Objectivist ideas. The conclusions can be observed on the following table. The practices described below will be further discussed and connected to the fundamental ideas that generated them.

<i>Management Aspects</i>	<i>The Modern/Objectivist Approach to Management Practices</i>
Decision-making	<ul style="list-style-type: none"> -Group does not decide, but individuals -Manager is competent and responsible for the decisions -No democracy is needed -Reason is the means to knowledge -Only the facts are relevant in decision-making -Acknowledging and managing risks -Keep moving: it is better to make decisions than talk things to death -Consulting professionals when needed
Strategy	<ul style="list-style-type: none"> -Being in charge of the company: analyzing facts, removing barriers, ensuring the future success -Always having short term goals and a long term strategy -Setting direction is the main tasks of management
Communication	<ul style="list-style-type: none"> -Clear communication on facts -Two-way communication, encouraging honest opinions -Communicating responsibilities and expectations diminishes misunderstandings -Being clear about terms of any deal ensures honest business
Recruitment	<ul style="list-style-type: none"> -Caring about quality and mutual benefits -Different criteria on different jobs and contexts -No weight on irrelevant aspects such as gender, age or race
Arranging work	<ul style="list-style-type: none"> -Holding people accountable, showing trust and giving free hands -Acknowledging that many employees perform better the more freedom they get

	-Working independently or in small teams with clear direction, whenever possible
Rewarding	-Based on individual performance -Measuring results when relevant -Motivating and fair rewards, giving value for value -Irrelevant aspects such as age and the length of employment do not dictate salaries
Employer-employee relationship	-Assuring a win-win relationship by fair treatment -Employee has to gain from the relationship as well as the employer -Choosing people who enjoy working for the particular company -Encouraging employees to have fun, speak freely and give honest opinions

Table 3: The modern approach to management practices

The main ideas that generated these management practices are simply put the acceptance of objective reality and causality, thinking that reason is the means to knowledge, subscribing to individualism, holding that rationality is the most important virtue and that independence, integrity, honesty, justice, productivity and pride follow from rationality.

As the interview results presented, the interviewees hold that decision-making is the manager's responsibility. This thought is based on individualism, among other things, as it trusts that an individual is the mover of the world, not the collective. It holds that the individual is capable of thinking and that he is in charge of his actions. According to postmodernism this would be impossible, as thinking is claimed to be a collective phenomena, a group product. Taking the facts into account in decision-making relies on the idea that there is an objective reality to know of, and objective knowledge to be used in the decision-making process. Seeking to keep moving and appreciating decision-making tells of valuing productivity. Instead of talking things to death it is essential to keep the wheels rotating, which means making decisions—less talk, more action. Consulting professionals when needed is a sign of integrity in business, as well as

acknowledging and managing risks. It shows that the attitude is not indifferent to uncertainty or risks, but everything in management is goal-directed and professional.

Setting goals, showing direction, taking charge, analyzing facts, removing barriers and arranging work to ensure the future success, are all practices generated by the modern ideas. These practices are based on the notion there is an objective reality to be dealt with, and that there is causality: playing the cards right will lead to a certain result. As in poker, coincidence may influence in the short term, but the impact of the coincidence decreases in the long run. With the right strategy it is possible to achieve long-term success.

Clear communication on facts is a practice that implicitly holds that man is a conceptual being, and that concepts are drawn from reality. If they were not drawn from reality, everything would be subjective and one could not speak about facts. Saxo Bank's appreciation and encouragement to honesty is a good example of how communication can improve when people know they can say what they think. According to the interview data it seems that Saxo Bank's employees practice independent thinking and are not afraid to speak up. Most of the interviewees stated it is highly important to communicate responsibilities and expectations in order to diminish misunderstandings. Being clear about terms of any deal advocates honesty.

In the modern recruitment process, such as in Saxo Bank, no weight is set on irrelevant aspects such as gender, age or race. Ghate and Locke (2003: 257) have given an excellent example of what this means: "If the entrepreneur when building his bridge hires only the most knowledgeable construction engineers (vs., say, hiring one white engineer, one black, one female, one disabled, etc.), his action is an expression of an objective standard. By the nature of reality, it takes actual knowledge and skills – not various skin colors or gender – to erect a bridge; the entrepreneur has grasped this fact by his reason, and so chooses to hire only the most knowledgeable and skilled engineers he can find, regardless of their membership in various demographic categories" (Ghate & Locke 2003: 257).

As could be noticed on the interview results, none of the interviewees mentioned multiculturalism, even once. To analyze this observation, it has to be registered that Saxo Bank is highly international and has employees from all over the world. Why then, did they not mention multiculturalism, when it comes to recruitment or other managerial aspects? It seems that none of the interviewees hold it worth mentioning, they had no reason to bring it up—it did not matter to them. As concluded in the literature review, individualism does not hold one as prisoner of one's culture. To a business, such as online banking, it is not essential where the employees are from, but what they know about markets, information technology or human resources, for instance. It seems that Saxo Bank does not want to set weight on aspects that are unessential to the business. This follows to gender, age and other personal traits as well. One of the managers said explicitly that they are not discriminating against women, and that considering these aspects is discriminating on irrelevant basis.

Trusting people, holding them accountable and giving them free hands to do their job strongly represents the modern ideas, because its basic assumptions are that man is capable of independent thinking and performing. Arranging work on individual basis or in small teams reflects the same ideas. Trusting employees shows that the benefits are considered as mutual. If the employees were not viewed as working voluntarily for the mutual benefit, but by force of some sort, as the Marxists hold for instance, it would follow that the employer would have to keep on micro-managing to get the work done. As well, he would have to keep an eye on people to notice their rebellious actions. Instead, Saxo Bank's managers trust their employees and that leads to good results as according to the data, many employees perform better the more freedom they get.

The modern approach to rewarding is to base salaries to individual performance, measure results and keep the rewards motivating and fair. The approach holds that the more an employee does, the more he should receive in return. By rewarding the more productive people over less productive people, that is an example of valuing productive ability. It also advocates justice. Justice in rewarding does not only mean giving financial rewards for good results, but also giving positive feedback and being supportive of contributions. The sense of ownership is huge in Saxo Bank—people acknowledge that if the bank does well, everybody will benefit from it. Jobs are not

regarded as sinecures, but as fair contracts between two parties: the employer and the employee. No third party is needed. Labor unions are not considered highly important in Saxo Bank, as only one of the interviewees mentioned the union while talking about rewarding. He did not subscribe to the union himself. According to the data, Saxo Bank seems to hire professionals who provide the bank with a lot of value in exchange to their high rewards. Irrelevant aspects such as age and the length of employment do not dictate salaries in Saxo Bank.

The employer-employee relationship is regarded as very positive in Saxo Bank. The managers assure a win-win relationship by applying justice and honesty to their work. Everyone knows what kind of a deal they sign, and the mutual benefits are clear. Saxo Bank offers many kinds of benefits to their employees. “The Saxo Bank Group believes that its business develops in line with its employees' personal and professional growth. For this reason, Saxo Bank invests continuously in courses, workshops, leadership and skills-training programmes and formal educational qualifications, all designed to ensure that its people are at the forefront of their professions and are able to deliver the kind of service that clients and partners expect” (Saxo Bank 2011, 2). According to the interviews, employees must gain value from their employment in Saxo Bank. The interviewed managers think long term and acknowledge that it is not enough to hire people who only treat the job as source of income. Instead, choosing people who enjoy working for the particular company is important as those people are more committed and are working for a bigger goal. It means that they are able to think outside their own task, and keep the company's benefit on mind. Encouraging employees to have fun, speak freely and give honest opinions shows that the company recognizes how important its employees are, and acknowledges that the more comfortable they are, the better they perform.

As the management practices and their philosophical grounds have now been explained, it can be further concluded that the management that Saxo Bank practices is clearly the management of modern or Objectivist ideas. All these practices have resulted with extremely good results in Saxo Bank.

6 Discussions

The literature review aimed at defining postmodernism and the management practices, which theoretically follow from the postmodern ideas. The empirical research found out and explained what the practices are in the modern management. Even though the division of modern and postmodern management was done between the literature review and the empirical research, both approaches were present in both divisions. Since modernism and postmodernism are each other's opposites in all the essentials, it is impossible to fully understand what one of them is, without understanding the other. It is impossible to ignore the opposite, because already when one forms the concept postmodernism, one has to be aware of what are the similarities that make the concept and the differences that distinct it from other concepts. One cannot form concepts in a vacuum, without a context.

As modernism and postmodernism are the opposites, choosing to work on postmodern premises is, at the same time, choosing to reject the modern premises, and vice versa. Both of them cannot be true, both cannot be applied at the same time if one is consistent. Of course, there exists a lot inconsistency in both management literature and practice. To the extent one chooses to work on postmodern premises, one is at the same time, to the same extent, rejecting the modern premises, and vice versa. The choice between modernism and postmodernism is the choice between reason and non-reason. Therefore, being inconsistent means, for instance, being rational most of the time, but every once in a while being irrational. (It is important to remember that one does not have to be a skeptic postmodern to be irrational: one can be a mystic as well. Mysticism is the philosophy of pre-modernism.)

Now that the relationship between modernism and postmodernism has been clarified, it can be said that the same discussion—of how different philosophical ideas influence on management, continued through the whole thesis. Empirical research enhanced the knowledge achieved in the literature review, but it did not offer totally new perspectives. What it offered was a real life example of using reason in management. Combining the views on the management literature with the views of real managers generated a comprehensive outlook on modernism and postmodernism in management.

6.1 Postmodernism versus modernism—the end of the controversy

There are many publicly well-known cases of companies that have achieved success by consistently applying reason. They are companies such as Ford, Coca-Cola, Apple or Saxo Bank, to mention a few. There are many successful organizations lead by one individual, such as Steven Jobs in Apple. If postmodern claims were true, it would be impossible for an individual to do what Jobs has done—if thinking was a group phenomena and decision-making was a collective practice.

It is uncertain what postmodern thinkers have to say about companies that have proven reason to be valid. Yet, it is not impossible, nor surprising, that postmodern thinkers may ignore such companies, because they have already ignored the whole Enlightenment and 20th century sciences as validating evidence of reason. As postmodernism rejects the notions of reality, reason and truth, it naturally follows that postmodernists cannot rely on objective observations. Whatever it is they observe, it is subjective. What follows, is ignoring real life examples, holding them as unable to prove anything. But if the real life examples are not reliable, then what is? Books, theories and studies are not reliable either, as according to postmodernism no text has a stable meaning. Thereby there are no means to continue this controversy. “If reality, without your help, does not convince a person of the self-evident, he has abdicated reason and cannot be dealt with any further” (Peikoff 1991: 12).

Postmodernism is the philosophy that preaches the impossibility of human knowledge. What it translates to in day-to-day life is subjectivism, void of meaning, completely open interpretation and unintelligibility. Management, therefore, is as much about actions of racism, force, charity and feminism as it is about running an organization. Since there is no objective meaning in management, all interpretations are equally valid.

While making this thesis a company that consistently applies postmodern ideas to management has not been found. This thesis opens up for new research topic as it asks: Are there any postmodernist companies, and what do they do? How are their management practices like, compared to what this thesis concludes?

While postmodernism does not seek to be proven, and cannot be proven, reason has proven itself valid—by its achievements. As Saxo Bank’s manager has said: “Rationality is what sent people to the moon, built the car and the building, it is what secures the lives that humans have today compared to the Stone Age” (Saxo Bank 2011, 1). It is not a coincidence that Saxo Bank has predicted markets, constantly grown bigger and better, and made huge profits. Reason has been used endlessly in Saxo Bank, people have been in charge and the cards have been played right.

It is hard to find a company as explicit about its ideas as Saxo Bank. Yet, there exist many companies that consistently apply rational philosophy to business. Many success stories may have been enhanced by positive coincidences, but maintaining success over a long period of time undoubtably results from the right kinds of ideas and actions. What these ideas and actions are, is in the high interest of many business managers and -students and thereby there is demand for researching such rational organizations.

6.2 Why philosophy matters in management

Asking how modernism and postmodernism influence on management practice, is at the same time asking, if and how philosophical ideas influence on management. Everybody needs a philosophy, whether they acknowledge it or not. According to Peikoff (1991: 2) “The deepest issues of philosophy are the deepest roots of men’s thought, their action, their history—and therefore of their triumphs, their disasters and their future.” Thereby, the answer is, philosophical ideas influence on management more than anything else, because they are the root of all thought and action. Different intellectual eras have not been coincidences, but results of different philosophical principles. For example, the Dark Ages resulted from the pre-modern philosophy of mysticism. “The Dark Ages were dark on principle. As the barbarians were sacking the body of Rome, the Church was struggling to annul the last vestiges of its spirit, wrenching the West away from nature, astronomy, philosophy, nudity, pleasure, instilling in men’s souls the adoration of Eternity, with all its temporal consequences” (Peikoff 1991: 453). Finally, when thinkers accepted reason as uncontroversial again, the Enlightenment could start: pagan civilization was rediscovered, explorations and inventions increased rapidly, the man-

glorifying art and earthly philosophy were reintroduced, man's individual rights affirmed, the earlier leads were integrated into the first system of modern science (Peikoff 1991: 454). Since philosophy has a huge influence on our thoughts and actions, and since it shapes the course of history—and the future, it would be harmful to be indifferent to philosophy. It is harmful on the individual level, but also harmful to a business and the whole society. Why then, is so little attention given to the matter?

Many business schools represent the postmodern ideas as the new norm in the study of management. Postmodern ideas are often represented as something more intellectually advanced. In such business schools most people either implicitly or explicitly hold that we have moved to the new intellectual era of postmodernism. Have they understood what the postmodern ideas means when fully applied? That is very doubtful. If they did understand, there would be nobody in the classroom, as without facts, there is nothing to be studied either.

Why then, do people blindly accept postmodern ideas as something fashionable? Most of them do not see the contradictions. Accepting a little bit of irrationality does not necessarily sink the boat: the effect remains weak enough to cause a stir. The postmodern ideas taught in business schools tend to be the ones that sound least extreme and most plausible. Thereby it is understandable why they are so commonly accepted. Students of management are rarely students of philosophy. To help people judge ideas on their own, Ayn Rand (1984: 16) has given the perfect advice “Instead of dismissing the catch phrase, *accept* it for a few brief moments. Tell yourself, in effect: ‘If I were to accept it as true, what would follow?’ This is the best way of unmasking any philosophical fraud. The old saying of plain men holds true for intellectual ones: ‘You can't cheat an honest man.’ Intellectual honesty consists in taking ideas seriously. To take ideas seriously means that you intend to live by, to *practice*, any idea you accept as true. Philosophy provides man with a comprehensive view of life. In order to evaluate it properly, ask yourself what a given theory, if accepted, would do to human life, starting with your own.”

According to Peikoff (1991: 451-452) “By their nature, fundamental ideas spread throughout a society, influencing every subgroup, transcending differences in

occupation, schooling, race, class. The men who are being influenced retain the faculty of volition. But most are innocent of explicit philosophy and do not exercise their power to judge ideas. Unwittingly, they take whatever they are given.” Does it do any harm to accept ideas without judging them first? Does it matter what some students of management think? To understand that one must understand how the philosophical ideas become popular. According to Peikoff (1991: 452) “The books of philosophers are the beginning. Step by step, the books turn into motives, passion, statues, politicians and headlines.” Advocating ideas is a serious matter, because “if men act on certain principles, the actors will reach the end result logically inherent in those principles” (Peikoff 1991: 452). As an example, the end result of postmodernism is the impossibility of human knowledge, subjectivism, void of meaning, completely open interpretation and unintelligibility. If one does not seek to achieve that end, it is harmful to subscribe to any ideas of that movement.

7 Conclusions

Reason—do managers need it? Based on all the evidence gained in this thesis, it can be concluded that if it is the long-term success that managers are after, they need reason. The connection between rationality and success has become evident by the Enlightenment, modern sciences and businesses, Saxo Bank included.

The discussion chapter can be summarized to the following conclusions. Saxo Bank’s philosophy (whether implicit or explicit) is the root of its employees’ thoughts and actions. The philosophy has shaped the bank’s history and will shape its future. Because Saxo Bank subscribes to a rational philosophy the company has faced many triumphs, such as a net profit of about USD 124 million in 2010. Had it adopted an opposite philosophy and abandoned reason, the state of Saxo Bank would be something very different.

The research question of this thesis is: what does it mean in practice, to apply modern or postmodern ideas to management? This question has been answered in the literature review and in the empirical research. Here the conclusions, of each philosophy applied to management, have been condensed to ten essential terms.

If postmodern ideas were applied to management, it would mean that:

1. Group is responsible
2. Group thinks and makes decisions
3. Democracy has to be achieved
4. No objective goals, wandering to unintended ends
5. People have to be hired from different demographic groups
6. Minorities need special treatment, as they are silenced and discriminated
7. Paying attention to gender, age, race, sexuality
8. Everybody is equal and deserves equal rewards
9. Telling small local stories (not facts) to communicate
10. Manager uses power on employees on unjustified ways.

Applying modern ideas to management means that:

1. Using reason to gain and keep values
2. Individual is responsible
3. Manager is a competent decision-maker
4. All action is goal-oriented
5. Manager sets the direction, strategy and short term goals
6. Most potent people are hired
7. Not paying attention to irrelevant personal aspects
8. Rewarding is based on real contributions
9. Communication by facts
10. All deals should be voluntary and lead to a win-win situation.

These are the essential terms on which modernism and postmodernism shape management practices. These conclusions about the modern management practice are based on the empirical research, and they are in accordance with modern management theory as well. I also think that there is an endless amount of proof confirming these claims, in observing and studying rational and successful organizations.

The conclusions about postmodern management are not based on as good evidence. I am not aware of any consistently postmodern organization and thereby have not observed such practice in real life. Thereby, the conclusion remains on an uncertain theoretical level. This thesis has shown what it means to apply postmodern theories to management by logically following all the postmodern claims. As remains unclear, consistently postmodern companies may not exist. Seeking to create value in the objective world, while holding that there is no objective world to be sure of, in itself may be a contradiction big enough to prevent such companies from existing.

If postmodernism is not the ideal philosophy of business management, then what is? As Ghate and Locke (2003) have concluded, Objectivism, the philosophy of Ayn Rand is the proper alternative to postmodernism. To my knowledge the philosophy of Objectivism is the only philosophical system that provides a consistent application of reason to every basic philosophical issue. Objectivism is the key to success in private life, as well as in business. Saxo Bank, among many others, has made the same conclusions by adopting the philosophy.

7.1 The current state of the controversy

“The popularity of the term paradox in management and organization studies is testimony to the general move away from rational and objective views of managing and organizing. With the so-called [postmodern turn], terms such as tension, contradiction, irony, ambiguity and ambivalence now litter the literature” (Whittle 2006: 424).

A big part of the late management literature discusses management in ambiguous and subjective light. There seems to be two totally different management schools, one of the academics and one of the management practitioners. There tension between postmodern academics and the real-life practitioners can be sensed in a lot of the management literature.

This thesis has brought awareness to the burning issues between postmodern academics and management practitioners. It has also brought awareness to the role of philosophy

in management. It has been established that philosophical ideas shape everything men do, management practice included.

According to Hicks (2004: 201): “The Enlightenment was based on premises opposite to those of postmodernism, but while the Enlightenment was able to create a magnificent world on the basis of those premises, it articulated and defended them only incompletely. That weakness is the sole source of postmodernism’s power against it. Completing the articulation and defense of those premises is therefore essential to maintaining the forward progress of the Enlightenment vision and shielding it against postmodern strategies.”

It is undoubtable that the philosophical premises of the Enlightenment need to be articulated more completely, and Objectivism needs to be articulated more often, in order to maintain the forward progress of the Enlightenment. Saxo Bank, if anyone, has extensively articulated these premises. It has never kept quiet about its ideas, and thereby it serves as a role model to other companies.

7.2 What future research is needed?

Future research is needed to answer whether there exists any consistently postmodern companies, or not. Since reason leads to success and wealth, what are the results of a company rejecting reason? How are their management practices like, compared to what this thesis concludes?

As said in the discussion chapter, there are many companies that consistently apply rational philosophical ideas to business. Many business managers and -students are interested in learning about such successful businesses. Thereby researching rational organizations, especially the ones applying the philosophy of Objectivism, is recommended.

If there will be a future research about Objectivist management, I suggest researching a North American bank, BB&T. It is the 10th largest financial-holding company in the U.S. with more than 30,000 employees and more than 1,800 locations in 12 states and

Washington, D.C.(BB&T Online 2011). BB&T applies the philosophy of Objectivism to their management. Ayn Rand Institute in Irvine, California is an Objectivist organization that might help finding other Objectivist companies.

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Images and figures

Image 1: The structure of the thesis.....	11
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Tables

Table 1: Defining pre-modernism, modernism and postmodernism (Hicks 2004, 15).....	20
Table 2: Management on modern and postmodern principles.....	26
Table 3: The modern approach to management practices	46