

Corporate Epistemology

Competing Philosophies of Truth in Business
And How They Influence *Knowledge Management*

A Perspective Developed by

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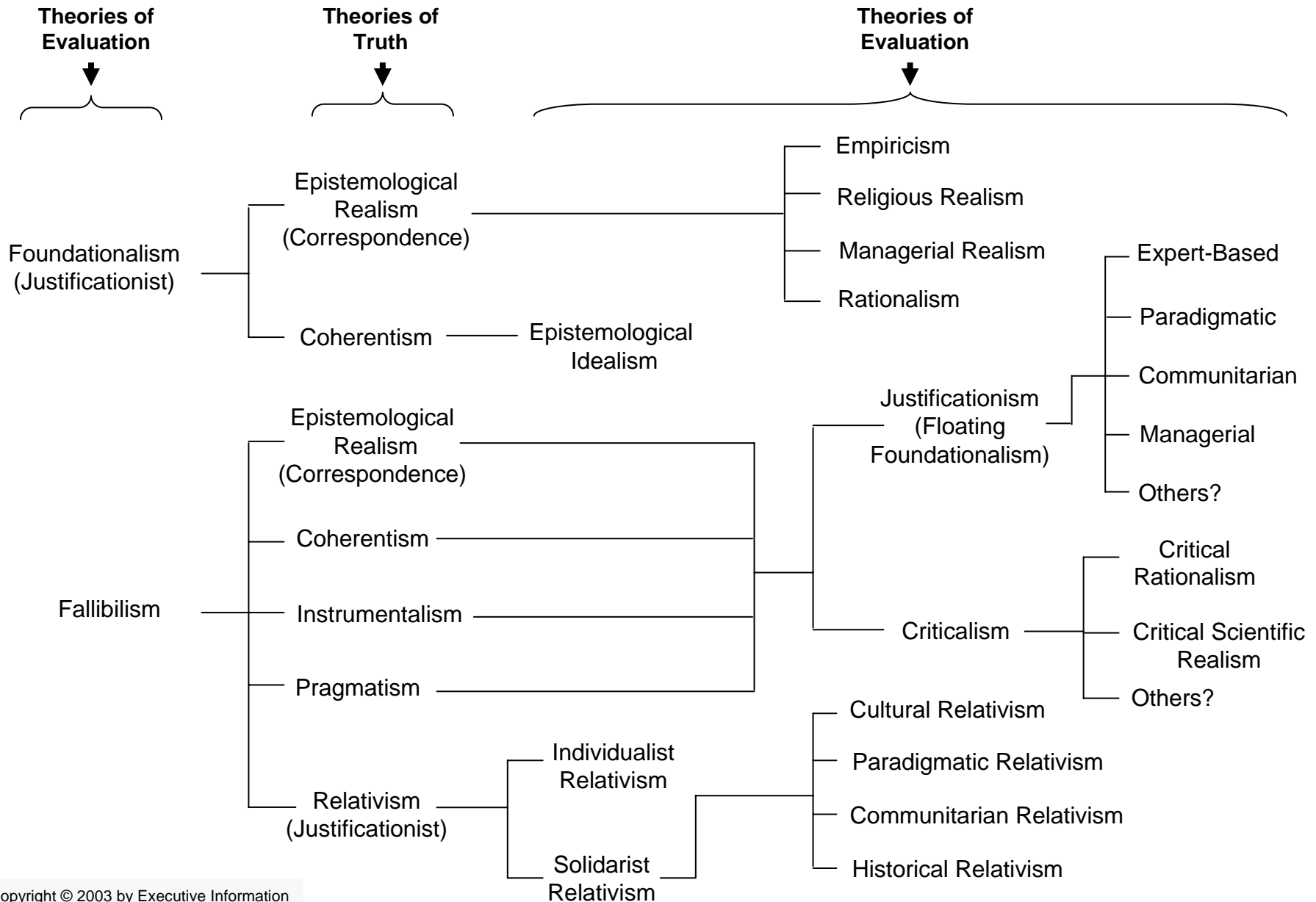
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Introduction

- Performance in business is nothing more than knowledge in use
- What passes for knowledge is therefore of enormous importance – *outcomes depend on its quality*
- Knowledge can be seen as beliefs or claims that we regard as true
- Different approaches, or philosophies, for determining truth can be found in business
- Knowledge Management practices vary accordingly
- What we need, then, is a view of the competing philosophies of truth in use – i.e., the competing *corporate epistemologies*

Competing Epistemologies



Glossary

- **Coherentism:** The view that a true belief or statement is one that “coheres” maximally with pre-existing true beliefs or statements.
- **Communitarianism:** A form of Justificationism which makes an appeal to a consensus or community-held view as a basis for justifying knowledge as either true and certain, or at least probable.
- **Criticalism:** A view of inquiry which holds that all human knowledge is fallible and should be regarded as such (see *Fallibilism*), and that we are rational only to the extent that we hold our beliefs and our knowledge claims open to criticism and testing in order to eliminate the errors in them. Criticalism stands in opposition to Foundationalism and Justificationism in that it holds that there are no true and certain beliefs or formulations, and that no beliefs or knowledge claims can be or need be justified, but only subjected to error elimination through criticism.
- **Critical Rationalism:** The orientation of Karl R. Popper which holds that all human knowledge is fallible and should be regarded as such (see *Fallibilism*), and that we are rational only to the extent that we hold our beliefs and our knowledge claims open to criticism and testing in order to eliminate the errors in them. It is based on the idea that “all life is problem-solving” and that problem solving is a process of creating trials (between competing knowledge claims) and engaging in error elimination (criticism of these competing knowledge claims relying on the use of deductive reasoning and empirical testing where possible). Critical rationalism stands in opposition to foundationalism and justificationism, and is broader than falsificationism, which relates to empirical testing of knowledge claims only.
- **Critical Scientific Realism:** A point of view that subscribes to epistemological realism, fallibilism, criticalism, and the importance of measuring “truthlikeness”, while continuing to assert the role of some forms of inductive inference in science.
- **Cultural Relativism:** The view that knowledge is relative to the world-view embodied in the knower’s culture.
- **Empiricism:** An epistemology that asserts that all our knowledge is derived from the foundation of our experience, and knowledge is justified true belief.
- **Epistemological Idealism:** The view that truth is maximal coherence with fundamental truths given by the mind.

Glossary (2)

- **Epistemological Realism (Correspondence):** The view that a true theory corresponds to the facts.
- **Expert-Based Justificationism:** The idea that knowledge in organizations is justifiable by expert authority
- **Fallibilism:** A viewpoint that sees all human knowledge as irreparably fallible and incapable of being proven or shown to be certain or justified.
- **Floating Foundationalism:** A form of Foundationalism that seeks to ground knowledge upon a subjective commitment to a belief, theory, paradigm, or type of group solidarity which, themselves, are not justified, but which are regarded by their subscribers as though they are (Notturmo, 2000).
- **Foundationalism:** A justificationist form of epistemology which claims that we can justify our knowledge and show it to be certain by appealing to some underlying, bedrock set of truths or authority (e.g., Cartesian Rationalism and British Empiricism).
- **Historical Relativism:** The view that truth is relative to the worldview characteristic of a historical period
- **Individualist Relativism:** The view that truth is relative to an individual's belief.
- **Instrumentalism:** The doctrine that theories have no truth value but are merely tools for prediction and application.
- **Justificationism:** The view that knowledge is justified true belief, and that we can and should attempt to justify our knowledge as infallibly true by demonstrating that it is. The widespread acceptance of fallibilism has recently watered down this idea of justificationism, so that those who hold to it now believe that knowledge need only be justified as highly probable rather than infallibly true. This compromising of the idea of justification has given rise to Floating Foundationalism (see above).
- **Managerial Justificationism:** The idea that knowledge in organizations is fallible but may be justified by managerial authority.
- **Managerial Realism:** The idea that knowledge in organizations corresponds to the facts and is justified by managerial authority.

Glossary (3)

- **Paradigmatic Justificationism:** The idea that knowledge in organizations is justified by its conformance to the criteria of evaluation given by the organization's dominant paradigm of inquiry.
- **Paradigmatic Relativism:** The idea that truth is relative to the results of evaluations conforming to the criteria of evaluation given by the organization's dominant paradigm of inquiry.
- **Pragmatism:** The view that 'truth' is a function of the utility of a belief or claim, and that all of our beliefs and claims are both fallible and based on knowledge presuppositions.
- **Rationalism:** An epistemology characterized by both justificationism and foundationalism, expounded most notably by Rene Descartes, which held that knowledge could be justified by reason or intellect alone, and not by sensory perception or experience.
- **Relativism:** A form of justificationism (see *Justificationism*) that regards all truth and certainty as personal, local, and 'relative' to an individual or a collective – i.e., anti-foundationalist, but not anti-justificationist.
- **Religious Realism:** An epistemology characterized by both justificationism and foundationalism, which holds that knowledge can be justified by religious faith alone and not by reason or intellect, or by sensory perception or experience.
- **Solidarist Relativism:** The idea that truth is relative to the consensus of one's group, community, organization, culture or other collective.
- **Theory of Truth:** A formulation that defines the term "Truth."
- **Theory of Evaluation:** A normative theory that specifies how one ought to comparatively evaluate knowledge claims in relation to truth or falsity, "truthlikeness," coherence, utility, simplicity or some other knowledge-related goal.

So What?

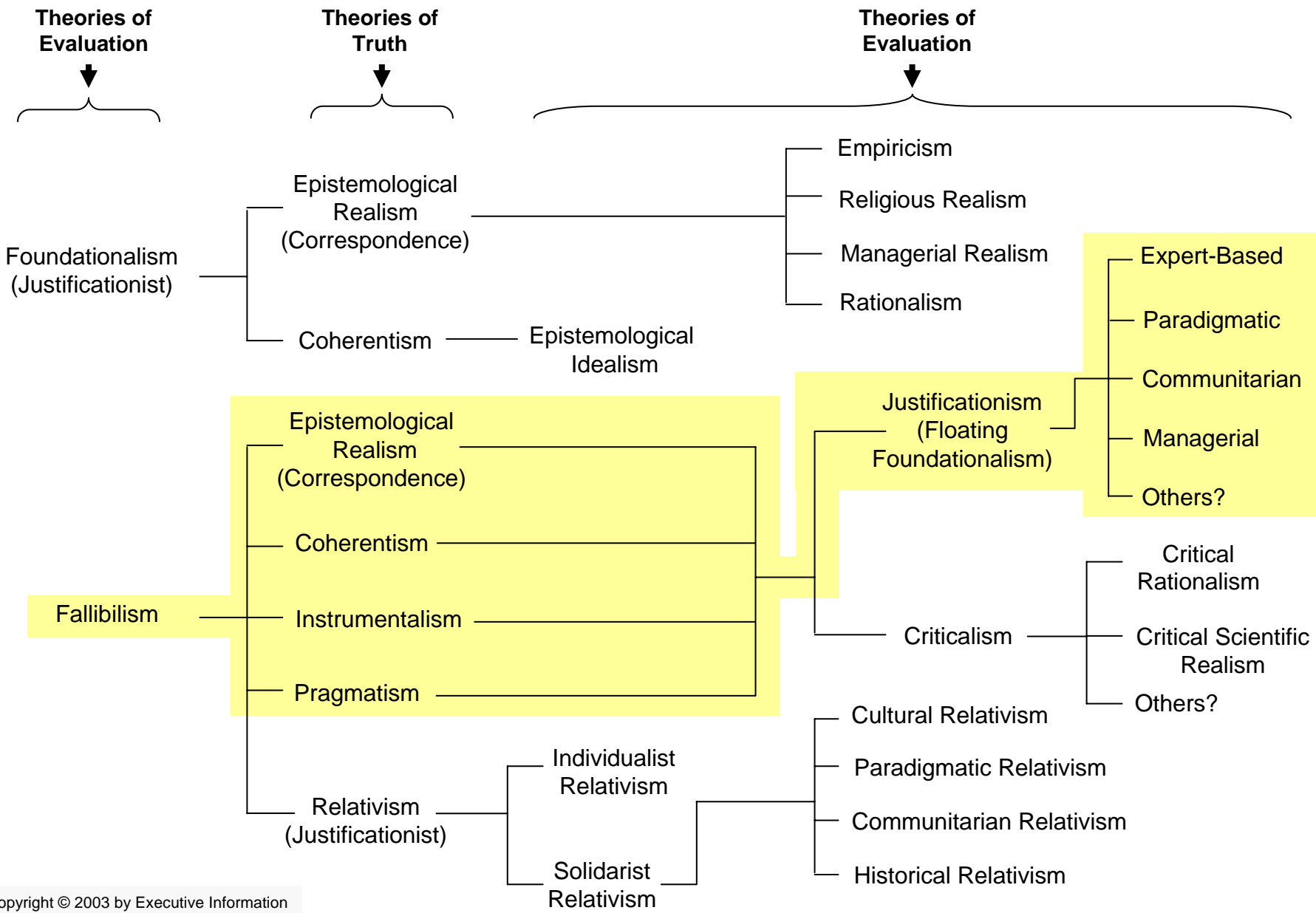
Here's What.....

- Most mainstream businesses and their managers are *Fallibilist* (i.e., they admit the fallibility of their own knowledge and avoid the view that knowledge can be had with certainty) – *this is a good thing*
- But within the *Fallibilist* thread, there are divisions – KM diverges accordingly:
 - Some *Fallibilists* insist on adopting beliefs and knowledge claims as if they were justifiably true, even though they admit knowledge with certainty is unavailable to us (these are *Justificationists* of the *Floating Foundationalist* kind)
 - Other *Fallibilists* stick to their *uncertainty roots* and hold, instead, to a view that what we must do is continuously hold our beliefs and knowledge claims open to criticism (these are *Criticalists*)

Corporate KM strategies will dramatically differ (and should), depending, in part, on whether or not their epistemologies are *Floating Foundationalist* or *Criticalist*!

What Do Most Organizations Do?

The Mainstream Management View



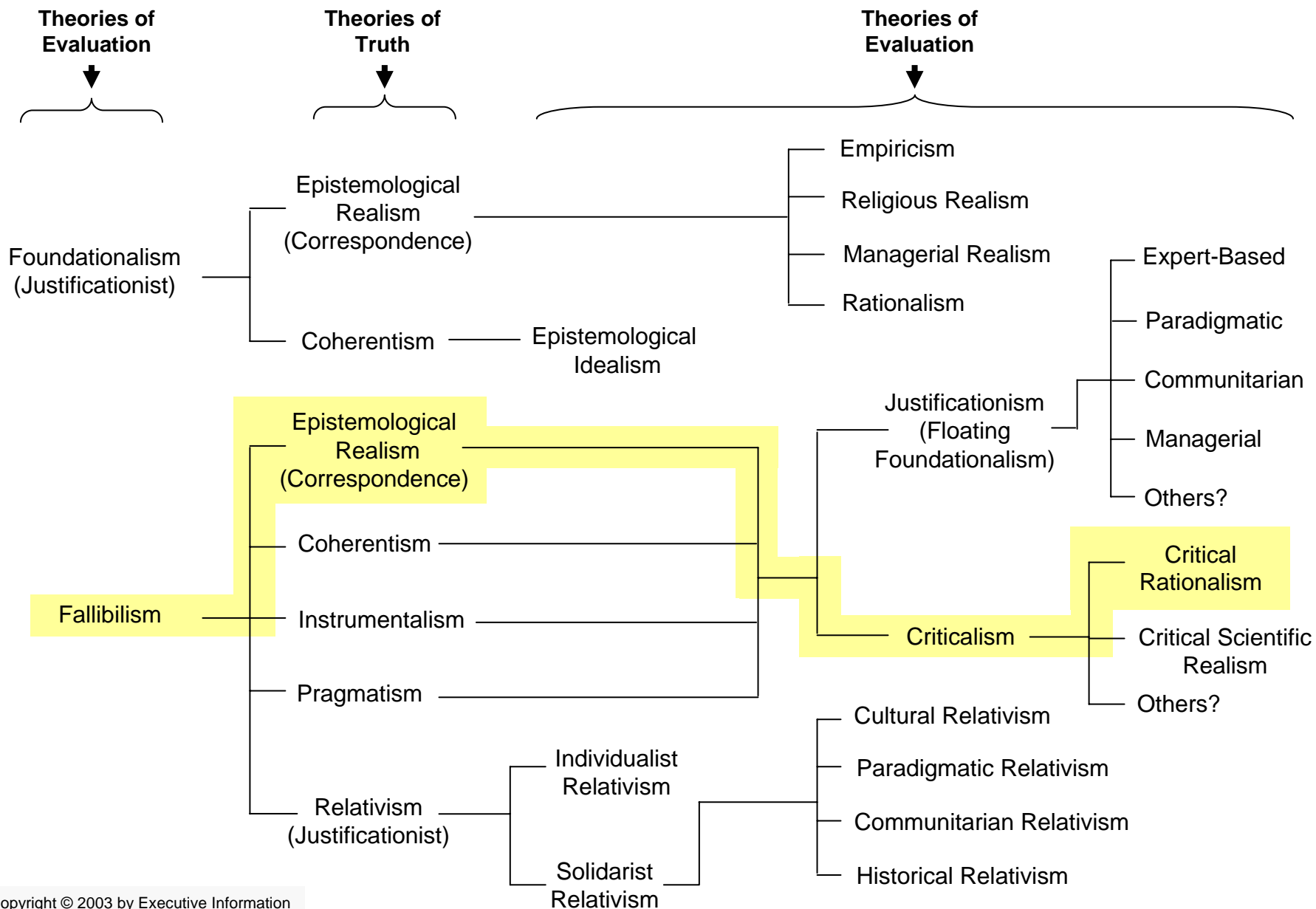
The Mainstream View

- Admits that our knowledge is fallible, but says we must carry on as though it weren't by endowing managers (or other authorities) with the power to create knowledge that others should *regard as true*
- A form of *Justificationism* that requires us to suspend our disbelief in the fallibility of knowledge
- What Mark Notturmo calls *Floating Foundationalism* – a form of Foundationalism with – ironically – no foundation!
- Says that knowledge hatched by authorities is justifiably true
- Leads to adoption of falsehoods more often because the beliefs and claims of authorities go untested
- Fraught with risk!

The corporate epistemologies of most firms are fundamentally *Justificationist!*

What We Propose

The "New Knowledge Management" (TNKM) View

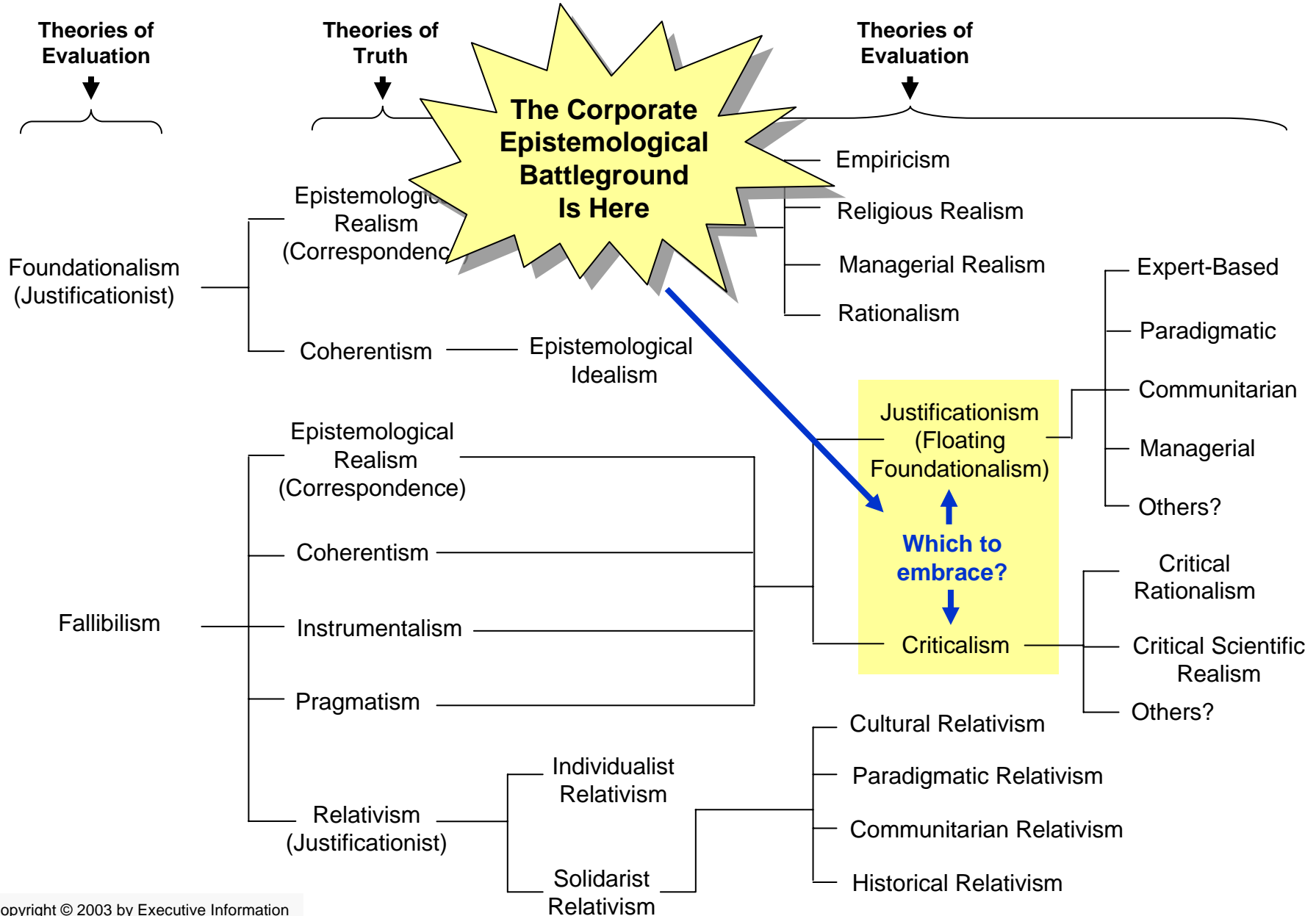


What's the Advantage to Criticalism?

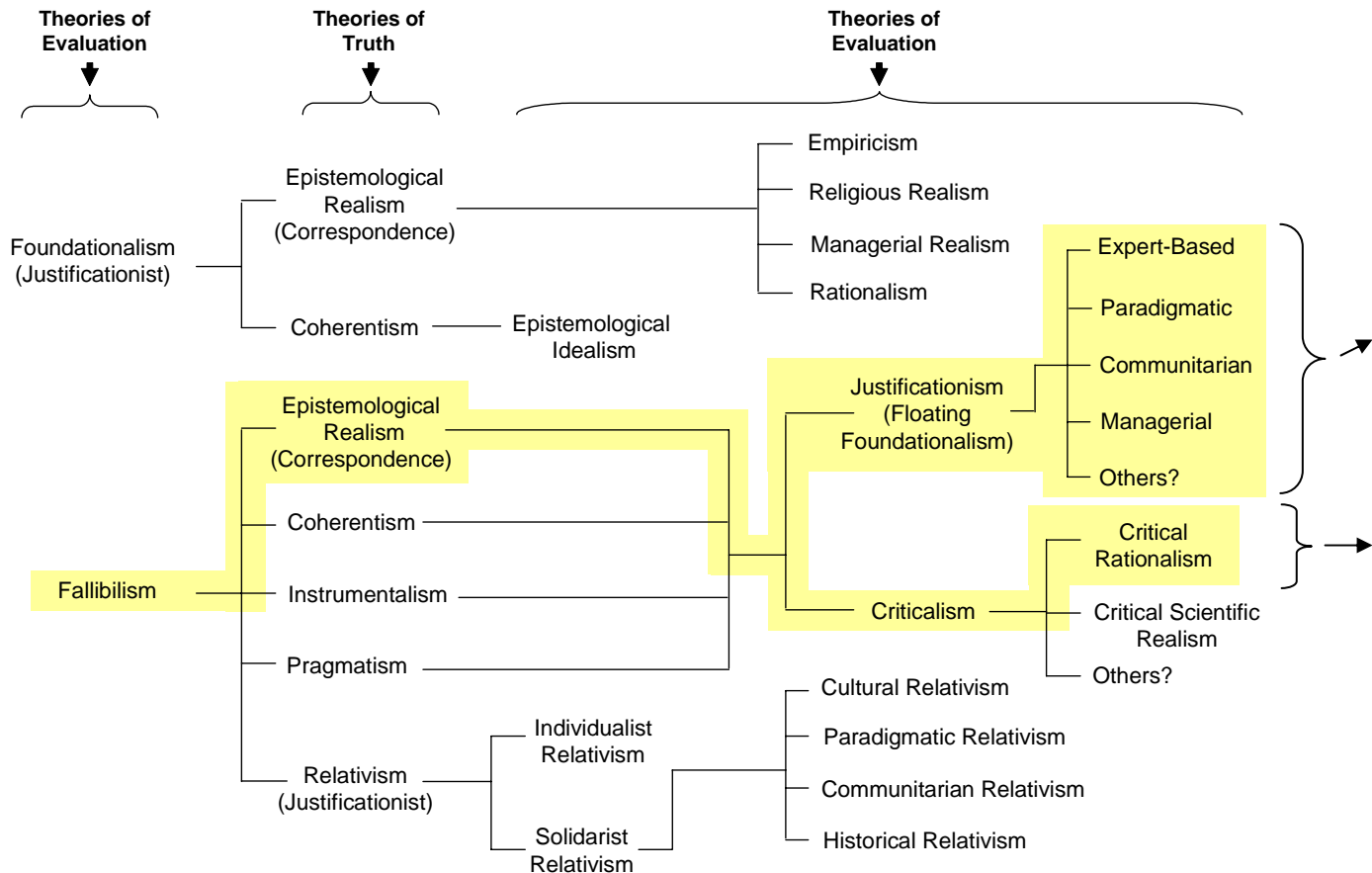
- Quality of knowledge is higher, since assumption of justifiable truth is abandoned in favor of holding knowledge continuously open to criticism and accountable for its errors
- A powerful form of risk management, since all actions taken in business are nothing more than knowledge in use (i.e., higher-quality knowledge leads to lower-risk actions)
- Since it is broadly participatory in knowledge production, it shifts responsibility for it from the few to the many – a larger pool of creativity and innovation
- Correspondingly higher levels of transparency and inclusiveness lead to more satisfied and trusting stakeholders

Firms that take *Criticalist* positions in their epistemologies are fundamentally more adaptive because they never view their knowledge as being true with certainty!

The Epistemological Tree



Knowledge Management Implications



Justificationist KM:

- Relies on *appeals to authority* as basis of organizational knowledge
- Business processing and knowledge processing both controlled and dominated by management
- Knowledge processing is less participatory
- Knowledge produced is riskier

Criticalist KM:

- Sees all knowledge as truly fallible
- Business processing controlled and dominated by management; knowledge processing is not
- Knowledge produced is of higher quality
- *Knowledge Claim Evaluation* ethic is strong
- KM mostly about maintaining openness and rigor in knowledge production

Summary and Conclusions

- Most practices in KM are *Justificationist* in orientation
- While rejecting the idea of truth with certainty, they carry on as though they don't (e.g., knowledge produced by managers treated *as if* it were true with certainty)
- *Justificationism* introduces and intensifies risk
- *Criticalism*, by contrast, institutionalizes a *Fallibilist* ethic and rewards testing and evaluation of knowledge claims
- Criticalism lowers risk and improves quality of performance by acting as a *quality control system for knowledge*
- *KM has become a powerful new form of risk management and should be positioned accordingly!*

The End

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