

Human nature as we know it...today.

Doctoral course in Business Administration at Linnæus University by Sven-Olof Collin, professor in corporate governance and accounting, spring 2012.

In research on rational human behaviour, we tend to make one basic assumption of human behaviour. The economist uses the assumption of the self-interested man, claiming that the individual will try to maximize the utility, balancing the costs and benefits and choosing the action that is the most beneficial. This represents the instinct of selfishness. Or we use the sociological-oriented assumption of the social individual, where we assume that an individual has a tendency to be attracted to, and to belong to, a group - be it a family, a group within the firm or a professional group - and to adjust to the norms of the group, for example norms of reciprocity and equity, through internalizing norms, i.e., become socialized, or to act in a way that is considered to be legitimate. This is the instinct of belongingness. A third alternative, yet to be fully explored is duty, that is that the individual has a Weltanschauung that directs the person's actions. That is the instinct of duty, i.e., that a person has to do what a person has to do, no matter the costs and benefits. The behaviour is rational according to Kantian moral philosophy, since it is based on the rational practical reason.

Adding to these basic assumptions is the institutional view of humans, assuming that humans are living in but a social world where preferences and behaviour are but consequences of the social world. An alternative to this is the literature of evolutionary psychology, which is based on Darwinian ideas. They assume that humans are genetically coded as hunters and that they use the gestalt of hunter society in order to make explanations of human behaviour. This line of thoughts has developed mainly in psychology, and we are still to await its arrival to business administration research.

The course will orient the participants in these five areas of conceptions of human behaviour and through reading, critique and debate develop the students' capacity to understand basic assumptions of human behaviour and to be able to apply them through theory criticism and theory development.

On the completion of the course, the student will have

- advanced knowledge of assumptions of human behaviour and drivers of human behaviour in business administration and related fields
- ability to identify the basic assumptions of human behaviour in theories
- ability to apply the different assumptions in theory development

The course consists of five seminars and one course conference.

1. The instinct of selfishness
2. The instinct of belongingness
3. The instinct of duty
4. The social construction of humans
5. The natural construction of humans
6. Course conference

The seminars will be discussion seminars, i.e., we will discuss each paper, which implies that students have to read the articles before the seminars and prepare both questions and opinions before the seminars.

The examination will be through a written paper and a course presentation and defence. In the paper assignment the student is to criticise the theories used by the student in her or his doctoral project in order to find out the basic assumptions of human nature in these theories, and then to make an effort to develop theoretical ideas based on each assumption.

The paper has to be presented and defended at the course conference. The paper and the defence will be graded in accordance to the ECTS scale. A student who wants to have the grade translated into the Swedish system has to indicate this at the start of the course.

A course evaluation will be made through a survey and a written report by the teacher, and will be communicated to the students.

The time schedule will be organised in cooperation with the attending students at the first meeting.

Literature

The seminars will contain between 6 and 7 articles.

The instinct of selfishness

- Cropanzano, R., Goldman, B. and Folger, R. (2005) Self-interest: defining and understanding a human motive, *Journal of Organizational Behavior*, 26:985-991.
- Jensen, M.C. and Meckling, W.H. (1994) The nature of man. *Journal of Applied Corporate Finance* 7: 4–19.
- Jensen, M. C. & Meckling, W. H. 1976. Theory of the firm: Managerial behaviour, agency costs, and ownership structure, *The Journal of Financial Economics*, 3:305-360.
- Miller, D. T. (1999) The norm of Self-Interest, *American Psychologist*, 54(12):1053-1060.
- Sen, A. K. (1977). Rational fools: A critique of the behavioral foundations of economic theory, *Philosophy and Public Affairs*, 6(4):317-344.
- Tomer, J. F. (2001) Economic man vs heterodox men: the concepts of human nature in schools of economic thoughts, *Journal of Socio-Economics*, 30:281-293.

The instinct of belongingness

- Baumeister, R. F. and Leary, M. R. (1995) The need to belong: Desire for interpersonal attachments as a fundamental human motivation, *Psychological Bulletin*, 117(3):497-529.
- Blair, M. M. & Stout, L. A. (2001), Director accountability and the mediating role of the corporate board. *Washington University Law Quarterly*, 79: 403- 447.
- Cremer, De D. and Leonardelli, G. (2003) Cooperation in social dilemmas and the need to belong: The moderating effect of group size. *Group Dynamics*, 7(2) 168-174.
- Fehr, E. and Fischbacher, U. (2002) Why social preferences matter – the impact of non-selfish motives on competition, cooperation and incentives, *The Economic Journal*, 112(march):1-33.
- Gere, J. and MacDonald, G. (2010) An update of the empirical case for the need to belong, *The Journal of Individual Psychology*, 66(1): 93-115.
- Graham, J. and Haidt, J. (2010) Beyond beliefs: Religions bind individuals into moral communities, *Personality and Social Psychology Review*, 14(1):140-150.

The instinct of duty

- Campbell, R. L. and Christopher, J. C. (1996), Moral development Theory: A critique of its Kantian presuppositions, *Development Review*, 16: 1-47.
- Collin, S-O (2011) Duty governing human actions: To act because it is righteous.
- Husted, B. W. and Folger, R. 2004. Fairness and Transaction Costs: The Contribution of Organizational Justice Theory to an Integrative Model of Economic Organization. *Organization Science*, Vol. 15, No. 6, pp. 719-729
- Kahneman, D., Knetsch, J. L. and Thaler, R. H. (1986) Fairness and the assumptions of economics, *The Journal of Business*, 59(4):285-300.
- Turillo, C. J., Folger, R., Lavelle, J. J., Umphress, E. E. and Gee, J. O. 2002. Is virtue its own reward? Self-sacrificial decisions for the sake of fairness. *Organizational Behavior and Human Decision Processes*, Vol 89, pp. 839-865.
- White, M. D. (2004), Can homo economicus follow Kant's categorical imperative?, *Journal of Socio-Economics*, 33: 89-106.

The social construction of humans

- Davis, J. H., Schoorman, F. D. & Donaldson, L., (1997), Toward a stewardship theory of management, *Academy of Management Review*, 22: 20-47.
- DiMaggio P.J. and Powell, W.W. 1991. Introduction. In: Powell W.W. and DiMaggio P.J., editors. *The New Institutionalism in Organizational Analysis*. Chicago: The University of Chicago Press, p. 1–40.
- Frey, B. S., Savage, D. A. and Torgler, B. (2010) Noblesse oblige? Determinants of survival in a life-and-death situation, *Journal of Economic Behavior & Organization*, 74:1-11.
- Granovetter, M. (1985). Economic action and social structure: The problem of embeddedness. *American Journal of Sociology*, 91, 481-510.
- Haidt, J., Koller, S. H. and Dias, M. G. (1993) Affect, culture, and morality, or is it wrong to eat your dog? *Journal of Personality and Social Psychology*, 65(4):613-628.
- Shapira, A. (1976) Developmental differences in competitive behavior of Kibbutz and city children, *The Journal of Social Psychology*, 98:19-26.
- Shapira, A. and Madsen, M. C. (1969) Cooperative and competitive behavior of Kibbutz and urban children in Israel. *Children Development*, 40(2):609-617.

The natural construction of humans

- Boehm, C. 1997. Impact of the Human Egalitarian Syndrome on Darwinian Selection Mechanics. *The American Naturalist*, Vol. 150, No. S1, Multilevel Selection: A Symposium Organized by David Sloan Wilson (July), pp. 100-121
- Davis, J. N. and Daly, M. (1997) Evolutionary theory and the human family, *The Quarterly Review of Biology*, 72(4): 407-435.
- Hamilton, W. D. (1964) The genetic evolution of social behaviour. I, *Journal of Theoretical Biology*, 7:1-16.
- Neyer, F. J. and Lang, F. R. (2003) Blood is thicker than water: Kinship orientation across adulthood, *Journal of Personality and Social Psychology*, 84(2): 310-321.
- Nicholson, N. and White, R. (2006) Darwinism – A new paradigm for organizational behavior? *Journal of Organizational Behavior*, 27:111-119.
- Trivers, R. L. (1971), The evolution of reciprocal altruism. *Quarterly Review of Biology*. 46:35-57
- Waldron, D. A. (1998) Status in organizations: Where evolutionary theory ranks, *Managerial and Decision Economics*, 19(7/8):505-520.

Reference literature

- Brontë, C. (1994). *Jane Eyre*, London: Penguin Books.
- Cervantes Saavedra, M de (2001) *Den snillrike riddaren Don Quijote av la Mancha* (El ingenioso hidalgo Don Qvixote de la Mancha & Segvnda parte del ingenioso cavallero Don Qvixote de la Mancha), Stehag: Symposion
- Ibsen, H. (1920) *A Doll's House: Ghosts: An Enemy of the People*, Boni and Liveright, Inc, NY (USA)
- Moliere, (1988). *Misantropen eller den förälskade furien* (Le Misanthrope ou l'Atrabilaire amoureux'), Stehag:Symposion.