


**GUEST
COLUMN**

WHAT ARE WE ARGUING ABOUT?

In the July 18 edition of *Time* magazine, Rana Foroohar, the sardonic and *drôle* doyenne of business commentary, asks whether companies should be run by MBAs or by people who 'know about the business', be they car makers or software engineers. She observes: "The only time Apple ever lost the plot was when it had MBAs in charge".

Entertaining, contrarian, challenging – but it's also logically and argumentatively deeply, deeply flawed. Can you see why?

Well, it contains what logicians call a 'false dichotomy'. It carefully obscures the possibility that an MBA can be a software engineer, or that a shoe designer can at the same time be the 'bean counter' she so disparages. Now Foroohar is, of course, abusing logical rules of argument to make a rhetorical point. She is arguing for managers to be knowledgeable about the value processes underwriting the financial engine of the firm and makes the valid point that trying to direct operations purely by managing the finances is a lost cause. Of course, in some senses a theatre is the same in business terms as a car company, and a

software consultancy the same as a gold mine. Each has revenue streams, profits, inbound logistics, production functions and various forms of capital, and so on. But in other terms they are as different as chalk and cheese. Try running a theatre company like a car manufacturer (or *vice versa*) and you'll soon see that they are different.

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So what makes it worthwhile studying business, if there are these distinct contrasts and similarities between types of organisations? In my view we should respond in a number of ways. First, in terms of coping with the similarities, we should absorb unifying theories or frameworks which help us see the common factors between organisations. For example, there are well-known frameworks in strategy which help us see that all organisations face unforeseeable, partially unknown futures. They encourage us, in whatever organisation we manage, to create views of the future called scenarios. These do not attempt to predict what *will* happen but rather what *could* happen, so that we might better arrange our organisation to cope with what actually unfolds, rather than be tied to our narrow assumptions and being surprised when fate does not comply with our wishes. It's called robustness analysis and it is a way of thinking that informs our strategic analysis pretty much regardless of what organisation we are directing.

Our response to the specifics of organisations should be to understand the details of a sufficient number of organisations in order that we can become used to comprehending the specifics of an organisation. What I mean is that by practising how to understand, primarily through case studies, how a number of real-life organisations work we become practised at that understanding. Moreover, when this skill grows within the context of a good business education, the unifying theoretical frameworks and the ability to comprehend a specific organisation develop together. One often hears of a good MBA graduate being able to move between theory and application. Some schools, of course, do not attempt to

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achieve this intercommunication, priding themselves either on their fine abstract theoretical approach or their down-to-earth practicality. Both are mistaken.

But there's more to an education, whether it is in business or some other subject, than governing theory and being able to apply it. It is no accident that for a thousand years university students studied both logic and rhetoric alongside such subjects as arithmetic and natural science and theology, because the ability to argue well (rhetoric) and to form and criticise an argument (logic) are both essential to competence in the application of any knowledge. After all, an engineer who cannot make an argument will be able to make nothing, since no resources will be won, no political support gained, nor will the commitment of project workers be gained.

The ability to make an argument and the ability to criticise or analyse one are complementary and I want to concentrate from now on upon the logic side of this pairing, in addressing the question of how, in practice, we should approach this challenge of criticising or deconstructing an argument presented to us. How do we ask that question which no one wants to hear, which cuts to the logical flaw in the presentation, much as we did with Foroohar's false dichotomy earlier?

Well, here are some things you may watch for:

- Are the assumptions well-declared and visible? Is there some tacit assumption which can be challenged, such as Foroohar's

assumption that MBAs and car makers are necessarily different?

- Is there evidence to support the assertions? One should not necessarily expect evidence always to be presented, but, on demand, it should be available for interrogation.
- Has the evidence been selectively taken? Is there, for example, an overemphasis on personal experience?
- Are there what philosophers call errors of rationality?

- There might be straightforward technical, logical errors, such as the assumption that because all men are mammals and since all elephants are mammals that all elephants are men.

- Often people argue from probabilities that are not well judged, as in the case of the elderly theatre-lover who declines ever to go to the theatre for fear of being murdered in the street on the argument that once, in another city some decades ago, such a crime occurred. Accurate logic, but an inaccurate allocation of probability.

- Inappropriate weighting placed upon past history, where, for example, a previously observed set of circumstances is extrapolated into the present without examining whether the context is the same.

- Has the argument been inappropriately translated from one context where it was valid into another where it is not? Archaeologists, for example, occasionally fall into the trap of imbuing ancient peoples with a world view which they could not or did

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not hold, an extrapolation of assumptions from our contemporary world into a different one.

There are many such natural critiques available once one makes the assumption that any argument is there to be engaged with, to be respected, not through mere acceptance, but by doing it the honour of examination and critique.

And ultimately it is that ability and indeed willingness to treat all arguments as welcome targets for examination that underlies all our capacities as thinking managers and unifies Foroohar's car makers and 'bean counters'. All should be able to criticise and examine argument. ■