

University Paris –Sud
European Chair on Intellectual Capital
Management

Conferences series

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agentic theory of the firm

JC Spender

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theory of the firm

- what questions does the ToF answer ?
 - why firms exist ?
 - boundaries where and why ?
 - internal organization
 - heterogeneity of action and/or performance
- how they differ from markets
- how they add value
- managers' role and contribution ?

current ToF offerings

economics

- division of labor
- production function
- team production
- managerial
- TCE
- PAT
- property rights
- game theory

organization theory

- machine / system
- bureaucracy
- behavioral model (M & S)
- culture
- evolutionary model (N&W)
- organic system
- strategy literature
- RBV / KBV etc.

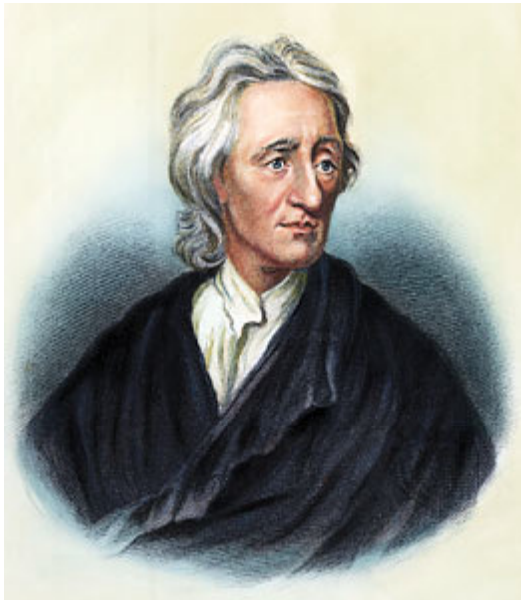
why / how are these theories different ?

methodologies

- could a-rationality be key ?
- market failure & Coase
- management = rational decision-making
- Knightian uncertainty



agentic 'theory'



- judgment copes with uncertainty
- imagination & agency
- methodological individualism, Hayek
- DoL, coordination + agentic collaboration
- managing the agency of others
- emergence, autopoiesis
- Nature's agency, evolution



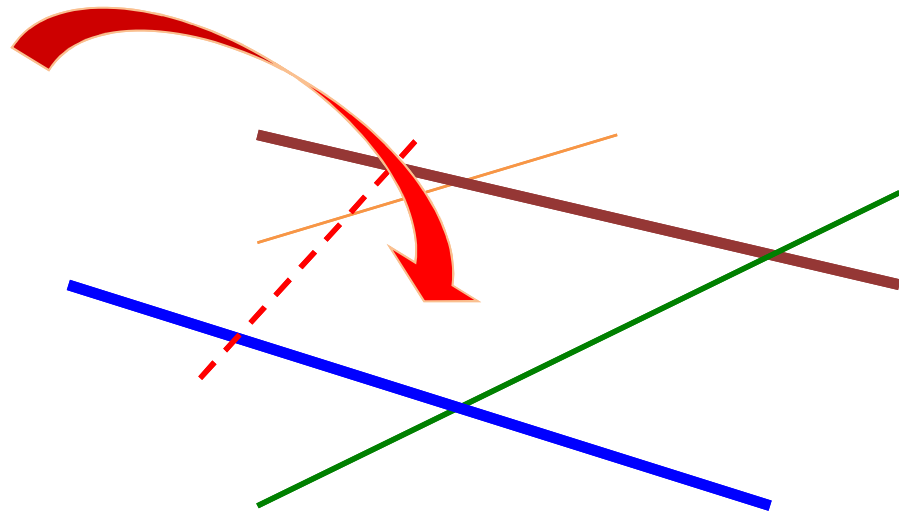
how to make agentic collaboration work

- cannot theorize the imagination
- *bricolage*, skilled practice
- tacitness
- learning
- Penrose - resources / services
- 2nd period
- history



theories or frameworks ?

- option space or '*ba*'
- constraints
- multi-dimensionality
- Porter's 5-forces
- radical innovation
- option-space time



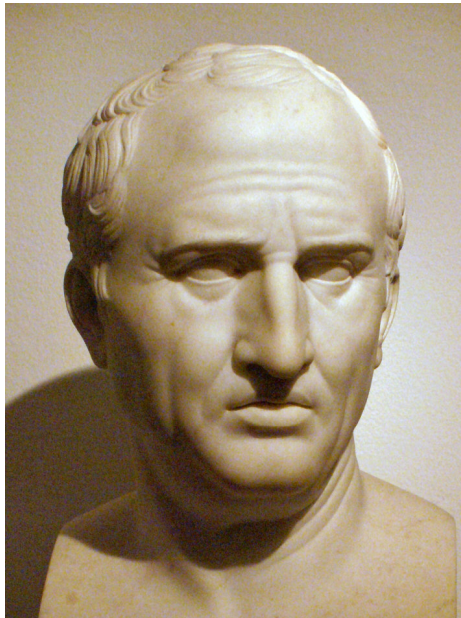
von Clausewitz



1780 - 1831

- agency as complement to theory
- study of the past
- coup d'oeuil
 - preparation
 - presence of mind
 - insight
 - resolution
- genius of the general
- character of leadership

moving others to action



Cicero

- motivation
 - extrinsic
 - intrinsic
- principal - agent theory
- audience can hear, imagine
- rhetoric
 - logos
 - ethos
 - pathos
- non-verbal



firm as rhetorically shaped practice

- leadership - entrepreneurship - strategizing
 - goal setting, planning, motivating, incentives
 - uncertainty-based analysis as complement
- problematize resources (Penrose)
- mediated by agency (von Clausewitz)
- leader's 're-imagining'
- persuading others to her/his agency
- managing as
 - being agentic in imagining possibilities
 - shaping the agency of others towards her/his goal

summary

- Knightian-U analysis **complementary** to rational modeling
- methodological shift from deterministic theory to consider human agency - but framed in constrained option spaces
- axiomatic engagement with time, space & context, history, context-time
- axiomatic engagement with managerial responsibility, ethics
- ‘humanist’ complement to rational analysis