Deleuze in Practice: Difference & Organisation Theory

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Introduction

Gilles Deleuze's work on difference remains complicated to those outside of its specific subject area. Thereby, the danger of theories like Deleuze's philosophy of difference is that they become so disconnected from practice that it is difficult for many to understand what practical implications they have. Yet, Deleuze's philosophy is intended to be a profoundly practical one; it was always meant to but put into actual use. Take for instance the translator's foreword to *'a Thousand Plateaus'*:

> *"The best way of all to approach the book is to read it as a challenge: to pry open the vacant spaces that would enable you to build your life and those of the people around you into a plateau of intensity that would leave afterimages of its dynamism that could be reinjected into still other lives, creating a fabric of heightened states between which any number, the greatest number, of connecting routes would exist."[1]*

This quote neatly sums up the goal of this thesis. Concretely, we will take Deleuze's work into the realm of practice by testing it against an existing field of theory. By putting what is often still a very abstract framework in a very applied space we can uncover what implications Deleuze's philosophy of difference would bring in concrete situations.

At the very opposite side of general philosophies like that of Deleuze are practical theories such as those concerning the goals of businesses and organisations. These organisational theories are in some ways the pinnacle of practically oriented theories, as almost all businesses around the world apply them to guide their decision-making. In order to decide between alternate courses of action, decision makers will choose whatever alternative best serves the purpose of the organisation. As such, organisations apply a goal-directed idea of rationality. In order to aid decision-makers, Economists carefully formulate the specific purpose which organisations should pursue. They do this with the general goal of maximisation of economic value and economic laws to describe the behaviour of organisations in mind. For these economists, considering different economic laws will mean a different concrete purpose that organisations should pursue. In other words, the rules economists formulate to describe how the world works directly feed into the criterion by which actual decisions are made. It could not be more important therefore that their description of the world aligns with our concrete experience of the world.

As such, the question stands whether these economic theories provide an adequate description of our experience of the real world. In this thesis, it will be argued that at a fundamental level they do not. Specifically, a philosophy of difference illustrates that economic theories like organisational theories presuppose abstract entities or essences which carry no concrete existence. However, the important question is what this conflict means for our understanding of organisational theories. To provide an

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[1] Brian Massumi. "Translator's Foreword: Pleasures of Philosophy." In *A Thousand Plateaus: Capitalism and Schizophrenia,* by Gilles Deleuze and Felix Guattari. trans. Brian Massumi (Minneapolis: University of Minnesota Press, 1987), xv

answer to this question, this thesis will make the distinction between the capacity of philosophy of difference to better account for our real experience and the usage of abstract ideas as a tool to further the pursuit of particular goals. That is, while organisational theories are fundamentally flawed in explaining our real experience, in the absence of a better alternative they may still be pragmatically adopted as a necessary tool to decide between alternative courses of action.

Specifically, in a first section we will trace the development of thought concerning organisations in the study of economics and business. In each movement, we will see how a shift in the laws through which organisations interacts leads to a modified version of the specified objective function for organisations. Then, in a second section we will explain in general terms what it will mean in this instance to adopt a Deleuzian philosophy of difference. Specifically, it will be illustrated how a philosophy of difference implied understanding systems like organisations as rhizomatic, rather than arborescent structures. Finally, in a third section we will apply such a philosophy of difference to see in what way our interpretation of organisational theory changes in light of these foundations. Here, we will see how a philosophy of difference conflicts with the prevailing theories of organisations, and under what conditions decision makers will nonetheless want to uphold these theories.

1. How the Goals of Organisations have been (Re)defined

The classic definition of organisations, as used by sociologist Howard E. Aldrich in his work 'Organisations and Environments', is that *"Organisations are goal-directed, boundary-maintaining, activity systems."*[23] What we are primarily interested in here is the first feature of the definition, the goal-directedness of firms. Over time, the academic and corporate worlds have changed their way of thinking about the purpose of organisations.

Specifically, we will here trace the development of thinking about organisational purpose from the *shareholder model* to the *stakeholder model*, and finally to the *integrated model.* Underlying this development are different ways of thinking about the interactions between organisations and their context. In each case, the economists developing the models are primarily concerned with creating positive economic outcomes, yet the models differ in degree of nuance in their description of the interaction of the firm with its environment, and whether this means the firm should include these considerations in their decision-making processes.

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[2] Howard E. Aldrich. *Organizations and Environments*. (Stanford: Stanford University Press, 1979), 4
[3] Note while there are some minor (often legalistic) differences between organisations, firms and corporations, the present work will use those words interchangeably and thereby mean to refer to Aldrich's definition.

Organisational Theory: The Shareholder Approach

Probably the most prominent understanding of the goal of the corporation is to seek shareholder value. The main work done on this theory is *'Value Maximization, Stakeholder Theory, and the Corporate Objective Function'* by Michael C. Jensen[4]. In his view, the question "what is the purpose of a corporation?" is essentially the same regardless of whether it is asked on the level of corporate executives or as a social question (what we as a society want the purpose of organisations to be). To him, the answer can only be to seek shareholder value. This conceptualisation of the goal of the firm we can call the *shareholder approach*:

Shareholder approach: The goal of the firm is seeking shareholder value.

According to Jensen, the shareholder approach is beneficial both to the individual firm and society as a whole, because shareholder value is created when a firm produces outputs which are of higher value to consumers than the inputs used to produce those outputs cost the firm. As such, in order to maximise firm value, firms have to at the same time maximise social value.

Another significant reason why Jensen is a proponent of the shareholder approach is that decision makers need the existence of a single-valued objective function to be able to choose effectively between alternatives. To illustrate why, imagine that a firm did not have a single-valued objective, but rather were committed to creating value for employees, its consumers, and the environment. We can easily imagine a decision which would benefit one of these groups but harm the others. As such, in any given instance, what kinds of decisions should the executives make here? As such, the danger with not adopting a single-valued objective function is that decision makers can justify just about any imaginable decision by quoting the benefit to one of the many possible objectives. In such a case, we could no longer distinguish between wise and unwise decisions.

However, the criterion of value maximisation does not always maximise social welfare in all cases, notably not so in cases of monopoly power or with externalities. Externalities are situations in which decision makers do not carry the full cost or benefit gained from their actions. Both with externalities and with cases of monopoly power, Jensen regards these issues as the responsibility of the government, to set rules and regulations that would prevent them. Moreover, Jensen points out that externalities only exist because the extra harm or benefit of a decision is not effectively tied to an individual or firm using property rights. As such, the alternative solution to this problem is not to set a different purpose for the organisation, but to better tie these property rights to individuals.

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[4] Michael C. Jensen. "Value Maximisation, Stakeholder Theory, and the Corporate Objective Function." *European Financial Management: The Journal of the European Financial Management Association* 7, no. 3 (Sep, 2001): 297-317. doi:10.1111/1468-036X.00158. https://api.istex.fr/ark:/67375/WNG-5X7FDFGW-S/fulltext.pdf.

Organisational Theory: The Stakeholder Approach

The authors of the most well-developed theory of a stakeholder driven corporation - Magill, Quinzii and Rochet – base their argument on the existence of imperfect markets, which lead to negative externalities as described above[5]. However, their conclusion is quite different. Instead of shareholder value maximisation, they suggest that organisations have a responsibility to shield their all their interest groups from the negative externalities that their activity may bring. As such, according to this view organisations should act in the interest of a broader group of stakeholders than just the shareholders of the firm. These stakeholders include customers, shareholders, employees, and the broader society. We call this the stakeholder approach:

Stakeholder approach: The goal of the firm is seeking stakeholder value.

Note that the argument of Magill, Quinzii and Rochet is still one of maximisation of utility; organisations should take into consideration stakeholder interests because otherwise the negative externalities they produce would move the organisation away from a state of maximum surplus generation. As in the shareholder approach, the authors discuss the possibility of government intervention as corrective device for externalities, yet they believe that the nature of the firm's investment decisions make it difficult for any regulator to have sufficient information to subsidize exactly the type of expenses that would reduce the risks of adverse outcomes or improve the productive efficiency of the firm. Therefore, more economic efficiency can be created by having the firm include the interests of stakeholder groups in their decision-making.

Thus, while even in the shareholder view it was recognised that the firm may create negative externalities for interest groups outside of the firm's ownership, the responsibility for considering these interest groups was conceived as the proper role of government, rather than the firm itself. However, only when people started to feel that organisations not only have a negative influence on their contexts, but also that the internal nature of this influence gives organisations a responsibility toward making sure their negative effects are minimised, could the stakeholder view come forward. Therefore, there had to be a shift in the way people thought about the interaction between the organisation and its environment before any effort was made to integrate these considerations in managerial decision-making.

The challenge for Magill, Quinzii and Rochet in developing their model for a stakeholder organisation is the no-single-valued-objective-function pitfall discussed above. To reiterate, if decisionmakers have multiple goals or objective to pursue, then this creates the problem that any decision can reasonably justified by appealing to one of the goals (without reference to the potentially negative impacts on the other goals). What is therefore needed is a way to effectively make trade-offs between the different

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[5] Michael Magill, Martine Quinzii, and Jean-Charles Rochet. "A Theory of the Stakeholder Corporation." *Econometrica* 83, no. 5 (2015): 1685-1725.

objectives. In the author's model, this is done through a systematic approach which can effectively turn the interests of the multiple stakeholder groups into a single valued objective function (the details of which are outside the scope of the present work).

While this systematisation makes the application of the stakeholder model certainly more feasible, it is limited in at least one significant respect. While the argument for economic efficiency and optimisation of benefits for decision makers was aligned in the shareholder approach, the stakeholder approach creates a misalignment between decisions made by self-interested actors and socially motivated actors. Even if some decisionmakers would agree that the optimisation of stakeholder value leads to superior economic outcomes, they might still believe that the maximisation of profits is still the most rational decision for them to make (rational here is implied in the sense of self-interest, assuming decision makers as agents act in the direct interests of the owners of the firm). This thus leads us to a prisoner's dilemma for decisionmakers, where the rational choice for decision makers is always to pursue the optimisation of shareholder value, regardless of the possibility that both recognise that they could increase the collective outcome by cooperation.

Organisational Theory: The Integrated Approach

So far, we have seen that the stakeholder theory was regarded as being able to create greater economic efficiencies than the shareholder theory. However, the model is limited to the extent that the rational approach taking by individual decisionmakers remained the maximisation of shareholder value. Still, Kurznack, Schoenmaker & Schramade point out that recent developments have emphasised that even investors are realising that a focus on long-term value creation for all stakeholders is key to a firm's success[6].

The key shift in understanding here is the introduction of internalisation effects. Instead of just thinking in terms of externalities created by the company which have an effect on the broader context, internalisation effects also suggests that these externalities are subsequently 'felt' by the company itself. To illustrate, Shoenmaker & Schramade (2019) suggest five different mechanisms through which internalisation can take place. Most simply, a government can impose a taxation or regulation in response to negative or positive behaviour by organisations. For example, a severe smoking tax will mean that a cigarette company is itself somewhat harmed by selling cigarettes. Alternatively, the public voice of civil society can change behaviour of various actors towards the cigarette company. Third, investors of the company might demand that the company act more responsibly or sell their shares if they see the company is engaging in morally dubious behaviour. Moreover, consumers may themselves

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[6] Lars Kurznack, Dirk Schoenmaker, and Willem Schramade. "A Model of Long-Term Value Creation." *Journal of Sustainable Finance & Investment* (2021): 1-19. doi:10.1080/20430795.2021.1920231.

also decide to boycott a company who they think is engaging in what they regard as bad behaviour (or conversely, reward those companies they appreciate for their great social initiatives.)

In a more general sense, it is argued that the economic, social, and environmental systems (which the organisation is part of) interact[7]. A clothing company producing garments at the lowest economic cost will benefit in the short term but may significantly deplete natural resources. Civil society may see this transgression and raise a public outcry against the company, causing many consumers to stop buying the garments. As such, the economic sphere benefits from taking from the environmental sphere, which raises alarm in the social sphere, and in turn has a negative impact on the economic sphere again.

Because of these mechanisms, Schoenmaker and Schramade argue that a company should take a long-term perspective on the economic, social, and economic spheres. Not only should the company seek to maximise their contribution to these spheres, but it should also seek to balance them so as to prevent any significantly negative cross-system interactions. We can call this the Integrated Approach:

The Integrated Approach: The goal of the firm is to seek and balance economic, social, and environmental value.

As an objective that is designed to guide decision makers choose between alternative investment decisions, the integrated approach is the fifth way Schoenmaker and Scharamade suggest internalisation of externalities by the firm happens. Corporates can *themselves* internalise the externalities of their activities by designing their supply chains, production processes, etc. in such a way that the costs of these activities are directly borne by the firm.

The integrated approach is presented as preferable to the stakeholder approach, because the integration effects of (negative) externalities gives decisionmakers a direct reason to act on behalf of a broader group of stakeholders. As such, it has the advantage of the shareholder view of the individual and collective interests being favourably aligned. Moreover, by expanding the systematisation of the stakeholder approach through the mathematical inclusion of the internalisation effects (the details of this are again outside the scope of this work), the integrated approach is able to fulfil the single-valued objective function requirement.

Again, consider the fact that without a change of thinking about the laws that describe the interaction between the firm and its environment, this new approach would not have been developed. It is only because of the suggested interrelatedness of value spheres and existence of internalisation effects that the firm has a direct interest in seeking and balancing economic, social, and environmental value. As

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[7] Dirk Schoenmaker and Willem Schramade. *Principles of Sustainable Finance* (Oxford University Press, 2019), 43-44.

such, it seems that our understanding of the interaction between the firm and its context significantly affects the objective that economists believe the organisation should pursue.

More nuanced understandings

Over time, a broader range of stakeholder groups have been included in the decision-making function of organisations. As illustrated, the underlying development is a changing way of thinking about the interaction between the organisation and its context. For comparison, these findings are summarised in table 1.

Approach	Organisational Purpose	Interaction organisation / context
Shareholder Model	Maximise Shareholder value	Invisible hand economics, with the exception of externalities and monopoly power, which is the responsibility of government
Stakeholder Model	Maximise stakeholder (shareholder, customer, and employee) value	Externalities and monopoly power, not as effectively addressed by governments, so internalised in decision making
Integrated Model	Maximise and balance economic, social, and environmental value	Firm creates external impacts and consequently internalises them because of interrelatedness of value spheres

Table 1: Key features of the three approaches

What we see here is a stepwise deepening of academic thought on the interaction between the organisation and its environment. Each model builds upon the previous. Externalities exist both in the shareholder and the stakeholder model, but the stakeholder model adds the fact that organisations are themselves the actors responsible for them, making the organisations better suited to address them as well. Both the stakeholder and the integrated model recognise the legitimate interests of stakeholder groups, but the integrated model also adds the internalisation effects that make the different groups interdependent.

However, the problem with the conceptualisations of organisations and their interactions with their environments as we have sketched them so far, is that they are driven by ideas of abstract entities. At heart, investigations conducted by organisational theorists look at many particular organisations or businesses, abstract from what makes them particular, and use what is left behind to make some general conclusions about all organisations. In other words, these theorists create explanatory models that would apply to all organisations. Such thinking we will call identarian - it recognises aspects of particular instances of a thing by some common or essential elements shared by all instances of a thing. For example, adherents of the stakeholder model have to posit that an abstract company X creates some

externalities (which are economic abstractions of negative environmental affects) that are better internalised by that company. That is, economists subsume the specific instances of companies, externalities, and internalisation mechanisms under this general idea of a 'Company', 'Externalities' and 'Internalisation Mechanisms'.

Thinking in terms of identities in this way seems pervasive in all realms of science and has been successful in generating many valuable results. In particular, our discussion on these models for organisational theory is treated as a stepwise effort at getting an ever-closer image of the 'True' way we should look at organisations, and their role in society. Together with the usage of abstract concepts, like companies, externalities, and internalisation mechanisms, this idea of getting closer to the Truth illustrates how science is engrained with thinking in terms of identities.

However, many criticisms have been formulated towards this thinking in terms of identities, for example by what can be called a philosophy of difference. One of its key proponents, Gilles Deleuze, argues that identities do not really exist, except perhaps in our minds. Rather, what we really find is a variety of things which are different in many ways. As Scott argues in his reading of Deleuze:

> *"This leads to the proposition that organization cannot be defined by appealing to formal types generated by positivistic research. Such research is driven by the false idea that there is an authentic kind of organization, an authentic experience of organization, and that this longed for authenticity will eventually disclose the objective truth about what organization really is. But the point about organization is that it does not comply with the notion of a predetermined order of truth. Real organization as a process is not determined in advance of its construction."[8]*

To really understand what Scott here means in his reading of Deleuze, we will have to explain some key principles of Deleuze's philosophy of difference.

2. Deleuze on Identity and Difference

The Structure of Difference

Deleuze allows us to view the problem of organisational theory from an ontological perspective. Ontology is the philosophical study of being, as it concerns itself with questions such as "what kinds of things exist" or "what is the structure of reality". Specifically, Deleuze seeks to answer these questions with a concept of *difference*.

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[8] Tim Scott, *Organization Philosophy: Gehlen, Foucault, Deleuze* (London: Palgrave Macmillan UK, 2010), 6-7.

Difference is commonly thought of as opposed to identity. Identity here is understood in terms of the 'sameness' which we experience between different instances of thing[9]. Because one specific organisation creates externalities in the same way as another specific organisation does, there has to be something like an essential idea of an 'Externality' by which the effects of these two organisations are the same. Yet, whereas a philosophy of identity would ask how particular things are instantiations of such ideal categories, a philosophy of difference asks in which way things are different in themselves, and only subsequently considers from what things are differentiated against[10].

Deleuze's ontology of difference is founded on a concept of *becoming*, rather than *being*. A concept of being means to refer to the fact that throughout time, things persist and remain somewhat the same, even as perhaps their component parts change. For example, the company Rolex was founded in 1905, meaning it is likely that all their original employees have now passed on. Still, the company will have you believe many things persist from its original founding, such as its values, its commitment to quality, etc. A concept of being explains that there is indeed something that remains over time, which can be studied by sciences taking an identarian approach.

Conversely, a concept of becoming (which Deleuze partly derives from Henri Bergson) takes into consideration that the past is always still implicit in the present[11]. As such, each moment is always different from the previous. Even if the very same moment were to happen twice, the memory of this moment happening before would affect the event in such a way to lead to a different outcome. Memory in this sense refers not simply to human memory, but more generally the myriad of ways in which the past remains preserved in the present. The present therefore continually differentiates itself against the past, and existence is constantly *becoming* something new. Under such a concept of becoming, it is easy to imagine that one would reject an abstract idea of the Rolex Company. Such an idea could only exist so long as the continuous differentiation of the present can be overturned by our psychological mechanisms seeking the identities of things. Moreover, becoming in this sense does not need to appeal to some external forces by which things become differentiated, as the differentiating force is now internal to being[12].

Deleuze might accept that we are in certain ways right to say that there are objects of our experience which more or less remain the same. Despite having constantly changing water through it, the Nile remains the Nile, or at the very least this is a useful abstraction for us. Rather, the point is to say that such identities which we find by abstraction from experience must have their virtual ground as purely

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[9] Lloyd P. Gerson, "Plato on Identity, Sameness, and Difference." *The Review of Metaphysics* 58, no. 2 (2004): 305-332. http://www.jstor.org/stable/20130453.

[10] Daniel Smith, John Protevi, and Daniela Voss, "Gilles Deleuze", *The Stanford Encyclopedia of Philosophy* (Summer 2023 Edition), Edward N. Zalta & Uri Nodelman (eds.), https://plato.stanford.edu/archives/sum2023/entries/deleuze/

[11] Scott, *Organization Philosophy*, 99

[12] Scott, *Organization Philosophy*, 87.

differential. We could therefore say that difference is ontologically primary to identity. Things are first and foremost unique or new, and only later may these differential forces come together and form some stable whole in our own minds.

Deleuze further develops this idea that things are first and foremost different and multiple in his reading of Nietzsche. Here, Deleuze notes that Plato's essential question *"what is truth"* only serves to hide the particular processes of becoming that a question like *"which one is true"* can disclose [13]. That is, asking the question in the which-one form allows for an investigation into the forces and powers that make this particular object of analysis an X. This allows for a broader plurality of answers, thereby opening up the possibility that organisations are more than just what we think of as bounded by a company name. Within organisations, there have to be forces that shape and develop it (say, stakeholders), just as the organisation is part of a broader context which it shapes and develops. Crucially, it is these forces and powers that more or less shape an organisational structure into what we understand it to be, rather than our abstractions in thinking about organisational structures (although such values may and will themselves be a relevant power that shapes the structure of organisations).

In Deleuze's reading of Nietzsche it becomes clear that this an approach which rejects any primary appeal to abstract or universal values or identities can only appeal to perspectivism as a basis of analysis. The term perspectivism means to point to the fact that asking a question "what is x" means to conduct an investigation into the moral values tied to phenomena as forces which have shaped them into the way we understand them now. Because we have moved away from identarian analysis, a perspectivism recognises that there are no objective grounds from which it has to come from *within* a given discourse; it has to be *immanent[14]*. It is thus as if it is unmasking itself as having these moral ties to the objects of discourse.

It is good to illustrate these points with a practical example. Consider the fact that institutional investors and stockpickers make a living by choosing companies which they expect to do well in the future. Such investors will make many correct choices by picking companies that do well, and many incorrect choices by picking companies that do badly. Generally, investors tend to regard their correct choices as more tied to their greater insight and analytical skills, whereas they tend to regard incorrect choices as a result of unforeseeable market circumstances. Such an investor's partiality in this regard is key to reinforcing the value of his function within society. To the investor, his work is valuable because he is insightful enough to 'spot' companies that will perform well. Those that are scientifically minded might be unsurprised by this, and gleefully point to 'objective' studies which show that this is an example of bias (specifically, illusion of control), and that in reality investors pick companies no better than chance[15].

[13] Gilles Deleuze, *Nietzsche and Philosophy*, trans. Hugh Tomlinson (Columbia UP, 1983), 75-78.
[14] Scott, *Organization Philosophy*, 110-111.
[15] James Picerno, "Investor Returns Vs. Market Returns: The Failure Endures," Accessed 15/06/23, https://seekingalpha.com/article/4108688-investor-returns-vs-market-returns-failure-endures.

However, the point is that *both* the investor and the scientist are committed to uphold the value of their practice by preconceived moral standards. Both are particular perspectives which cannot be unmasked by appealing to some 'objective' ground – as such grounds do not exist. Rather, we can only launch critiques from a within given practice.

What these arguments point to is an error in our understanding of what explains our real experience. It is particular forces, values and powers (*'which one?'*) that make things into what we find them to be. To see these forces as idiosyncrasies, muddling our view upon what that object is independently of those forces, is to forget that it is differential elements that make up our real world of experience. Understanding a differential world in terms of identities (*'what is?'*) can only lead to confusion.

At this point, it is still perhaps unclear how all these different perspectives and forces could possibly come together and form a unity, given that they present themselves as a combination of such diverse forces. However, recall that a philosophy of difference rejects any appeal to universal values abstract from concrete experience. This then also excludes a principle of complete chaos as a result of difference. That is, the fact that things are primarily internally different does not rule out the fact that things are secondarily subject to the natural forces which may organise this diversity into more or less complete wholes[16] (Scott, pp. 131-132). Still, these forces are not abstract (essential) principles guiding organisations, but rather have to be a concrete aspect of the diversity of being.

In order to really understand organisational theory in terms of a philosophy of difference then, we need to turn to the characteristics of systems in a philosophy of difference. We need to consider the concrete forces and principles that explain the way these systems interact, without resorting to abstract principles like 'externalities'. Such principles to describe systems from a perspective of difference is suggested in Deleuze's later work with Felix Guattari, which they do by invoking the figure of a rhizome.

Rhizomes: How Organisations Interact with their Environments

Deleuze is known for his complex and abstruse way of writing. One reason for this is that in presenting his philosophy of difference, he has to invoke completely different terms to get the reader away from their ties to an identarian way of thinking. Meanwhile, I have presented concepts like 'becoming' or 'perspectivism' as if this is a more adequate way of representing *true reality[17]*. But this would presuppose the same identarian ontology that a philosophy of difference rejects. This is why Deleuze

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[16] Scott, *Organization Philosophy*, 131-132.

[17] In this sense, the present text is guilty of some strategic essentialism. That is, it has sacrificed some of the nuance of a philosophy of difference in favour of a more easy reading experience.

writes in his later work co-authored by Felix Guattari: *In truth, it is not enough to say, "long live the multiple", difficult as it is to raise that cry."[18]*.

Thinking in terms of identities, which Deleuze & Guattari deem arborescent thinking, operates by assuming some original unity (the tree trunk) from which a diverse set of expressions can be formed (the branches)[19]. Some investigation might uncover that some description of the world insufficient, and thus supplement our current understanding with a higher dimension (overcoding the original description). It may have turned out that two branches were really originally one, which is closer to the unity of the original trunk of the world-tree. In our previous discussion on organisational theory, each definition started with arguing for the insufficiency of the previous definition (branching paths), considered a more inclusive group of stakeholders (the original branch), and implicitly claimed this definition would be closer to a true understanding of organisations (the tree trunk).

Another way of looking at arborescent thinking is in terms of territorialisation. In the same way that wolves territorialise land that cannot objectively be located as territory, so might Deleuze and Guattari argue that the scientific-psychological mechanism of organisational theory territorialises an understanding of organisations, or their interaction with their environment[20]. The point then is that this territorialisation is more indicative of the social and psychological interaction patterns within a group (of wolves/economists), than the underlying ground. Similarly, moving from a shareholder to a stakeholder model would constitute a deterritorialization (removing the territorial lines) and immediate reterritorialization (redrawing the territorial lines) in its respective rejection of the original definition and subsequent supplementation of a more 'adequate' definition. Again, given that there is no objective reality to the defined territories, these movements say more about the psychological mechanisms of the group, than about the grounds which they mean to understand.

Rather than supplementing our current understanding with a higher dimension of thought, a philosophy of difference consists of subtracting the unique from the system to be analysed, and looking at it for what it is: a rhizome[21]. Rhizomes describe systems in their own terms. The term is not just derived from but also applied to botany, as it describes the way a plant system grows roots in the same way it can describe how the organisation-environment system interacts from a concept of becoming. Rather than falling into the identity trap by giving a conclusive definition of a rhizome, Deleuze and Guattari describe some approximate characteristics of thinking in terms of the rhizome. Each of these

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[18] Gilles Deleuze and Felix Guattari, *A Thousand Plateaus: Capitalism and Schizophrenia*, Capitalism and Schizophrenia, trans. Brian Massumi, (Minneapolis: University of Minnesota Press, 1987), 5.

[19] Deleuze and Guattari, *A Thousand Plateaus*, 3

[20] Stephan Günzel, "Immanence and Deterritorialization," *The Paideia Archive: Twentieth World Congress of Philosophy* 6, (1998): 137-143, doi:10.5840/wcp20-paideia19986144.

[21] Deleuze and Guattari, *A Thousand Plateaus*, 6

characteristics stands opposed to arborescent, treelike ways of thinking which represent philosophies of identity.

The first two principles are those of connection and heterogeneity, by which the authors mean that any point in a rhizome can and must be connected to any other[22]. In particular, heterogeneity means that these connections always happen through multiple modes of coding, be it the biological, social, psychological, etc. For instance, a company might have an employee-root connected socially with other rhizomes through his family bond, or a building which is ecologically connected to the environment it affects. In rhizomes, these are necessary connections, always happening at different and diverse levels of coding.

Third is the principle of multiplicity, which refers to the absence of a Oneness or Unity of the system which is analysed[23]. There are no points or positions in a rhizome, as this would require a relation to the rhizome as a whole. A point in a tree only makes sense if we understand the whole tree. Rather than points, the rhizome is understood in terms of lines representing the connections made, the forces and powers expressed. One such line might be the CEO-line, announcing how the organisation is unified under a common vision. However, this introduced unity is never a real Unity, as this CEO will themselves be affected by lines that constitute them (e.g., the spouse-line), that make them into a multiplicity. Besides, additional lines that are plugged in and out of the rhizome constantly change the dimensions of the rhizome itself, something which is in our context best illustrated with the coming and going of the workforce of an organisation, and thereby the constitution and understanding of that organisation.

The fourth principle is that of asignifying rupture, which Deleuze and Guattari use to refer to the fact that any relation in a rhizome cannot be broken without simultaneously constructing alternate lines that make up the rhizome[24]. Returning to the employee-company line, you might say that while the official relation ends with the termination of a contract, the memory of a (broken) relation is itself a line that can be drawn in both the employee-rhizome and the company-rhizome, as something that affects their constitution. Because of the inevitable possibility that these lines tie back to each other, the authors suggest the impossibility of drawing a dichotomous relation such as in the form of the good and the bad: *"Good and bad are only the products of an active and temporary selection, which must be renewed"[25]*. At each stage, those seeking to dichotomise things into good things and bad things need to do so under the false assumption that they exist outside of the rhizome, or otherwise face the possibility that other

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[22] Deleuze and Guattari, *A Thousand Plateaus*, 5
[23] Deleuze and Guattari, *A Thousand Plateaus*, 7
[24] Deleuze and Guattari, *A Thousand Plateaus*, 8
[25] Deleuze and Guattari, *A Thousand Plateaus*, 9

organisations overcode their dichotomising. What does this mean for our organisations creating 'negative' externalities? What is negative, but an 'active and temporary selection'?

Finally, the fifth and sixth principles are those of cartography and decalcomania. Cartography refers to an operation of mapping, whereas decalcomania[26] refers to an operation of tracing. The goal of tracing is to describe a state which already exists, whereas mapping is more of an experimentation, which is nonetheless in contact with the real[27]. The rhizome is like a map, in the sense that it never starts in a set place, any point is a possible point of entry. Lines can be drawn on a map as they are found in a rhizome, but our mapping always ends before the line itself ends. We could have continued mapping the employee root/line we described above, without ever finding an end to it. Such a map does not attempt to (competently) trace the relations that are unconsciously there, but rather (performatively) constructs this unconscious. If tracing is the mode of operation of arborescent, identarian thinking, then mapping is the mode of operation of rhizomatic, differential thinking.

The point of rhizomatic thinking is to sketch how we should think about systems given that we reject a philosophy of identity. Yet, arborescent thinking is already the standard: *"The tree is already the image of the world, or the root the image of the world-tree"*[28]. A philosophy of difference sketched here illustrates the errors committed by thinking in these terms. In some places, we already sketched how our accounts of organisational theory fall victim to the limitations of arborescent and identarian thinking. Thinking in terms of identity always requires an abstraction from the idiosyncrasies of real experience, whereas a philosophy of difference allows us to consider these idiosyncrasies in their own terms. In the next section, we will expand on how the concepts described here change the way we can think about organisations in terms of systems interacting with their environments.

3. Difference in organisation theory

Our discussion began by noting that many decisions in organisations are made in accordance with that organisation's goals, whatever those may be. If the goal is to maximise shareholder value, then decisions should be made to maximise profit. In general, the goals of any organisation are thought in relation to abstract economic laws. Moreover, the arguments of organisational theorists exclusively consider their goal to be maximising economic value. In this way, operational decision-making is tied to general economical theories concerning the goals a given organisation should pursue. However, these theories resort to abstract laws, which assume the maximisation of economic value to be a universally shared

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[26] Common understanding of decalcomania is a technique to transfer engravings and prints to pottery or other materials.

[27] Deleuze and Guattari, *A Thousand Plateaus*, 11-12

[28] Deleuze and Guattari, *A Thousand Plateaus*, 3

moral imperative. As such, operational decision making is underpinned by theories which take identarian concepts for granted, both in their abstract laws of economics and moral imperatives.

What happens when we challenge this identarian ontology along the Deleuzian lines discussed above? What happens when we stop believing in these universal abstractions and commit ourselves to understanding that things are, first and foremost, different? If (economic) theories are developed because they allow us to better understand reality or as a useful tool, then a philosophy of difference must be incorporated on both fronts. In terms of understanding, a philosophy of difference might explain things that frustrate abstract economic laws. In terms of being a tool, it remains likely that the generalised theories of economics can still remain useful to us in many places. As such, our knowledge that things are primarily ontologically different allows us to pick strategic essentialism in some places and denial of such essentialism in others. This third section thus traces the application of a philosophy of difference, both in explaining our real experience and as a tool that allows us to distinguish between useful and obstructive applications of essentialist thought. These reflections are rhizomatic lines of thought that by no means claim to describe the system as a whole, but rather serve to illustrate the diverse modes of analysis and understanding a philosophy of difference might bring to organisational theory. Other lines can and should be traced, but the map must start somewhere.

Explaining our Real Experience

Deleuze's efforts toward a philosophy of difference can be seen in part as an attempt to explain our real experience. In our experience, we find a diversity which can only be explained by internal difference. Economists similarly find diversity (they would perhaps prefer unpredictability) in their experience, yet make attempts to explain this diversity with the interplay of economic laws and forces. These economic laws may be useful abstractions but make it all too easy to forget that they too require a plurality of individual cases to construct general rule. A philosophy of difference reminds us that the individual cases are the real tangible objects of our experience, not the laws we use to describe them.

The confusion between individual cases and general laws tends to create some problems for the economist. By positing complete human rationality, abstract laws of interaction, macroeconomic forces, etc., economists may hold on to the hope that their model sufficiently closely portray reality so as to understand, or even predict it. The eventual failure of these models is not attributed to any fundamental assumptions, but rather the amount and nature of the laws and variables involved. Undoubtedly, some economists will feel they are 'on the right path' and that any current shortcomings will be resolved in the march of scientific progress.

Conversely, an approach underpinned by a philosophy of difference might not as quickly share such epistemic optimism. As was partly illustrated above, an organisation understood rhizomatically will have employee-lines were mapped socially to their families, buildings ecologically connected to their

direct environments, and so on. The organisation, understood differentially, has a plurality of different lines by which it affects and by which it is affected. The active, affecting nature of the organisation is a key problem for the economic models, as is perhaps best illustrated in Scott's work:

> *"It is impossible to predict how a business venture, for example, will fare in the actual. From a Bergsonian perspective, this unpredictability, or 'risk', is not due to the number or quality of variables which might affect the venture (external causes) per se. It is rather because organization is creative; it must continually invent the terms of its own actualization. If it does not do this, if it behaves reactively in the face of its environment, then it is not an active organization. […] It does not suffer variables, it consumes them in its creative process of production, as information"*[29]

Creativity, in this sense, can be helpfully understood in relation to the desires enveloped by the organisation. The organisation (its desires) is constituted by its manifold of individual members, who respond (and must respond) to the particular events that affect the organisation. The goals and desires of individual members, bringing about their creative responses, get moulded into a collective response which becomes the response of the organisation. Although the same response 'in general' may be predicted by some economical law, this can in no way explain our real experience of particular forces in the way a philosophy of difference can. There may be particular useful applications of these general laws, but the key thing to recognise is that they are constituted by such particular cases and forces.

Still, seeing things as ontologically different does not preclude the possibility that economic models or abstractions are both highly accurate and useful. Instead, what this perspective does is reject any appeal to (economic) abstractions as satisfactory ways to explain our real experience. That is, even if our economic models predict or describe the world with incredible accuracy, this does not yet tell us that the world actually works in accordance with economic laws. In fact, given that people would accept that a basic economic law is an abstraction from concrete experience, it would be entirely strange that these same people would believe that a highly accurate system incorporating a bunch of these basic economic laws would have somehow stumbled upon the actual and concrete forces shaping our experience. As was developed previously in abstract terms, difference is ontologically primary to identity.

As such, economic models and abstractions constitute a practical case of the use of arborescent thinking to attempt to understand a rhizomatic world. They represent a failure to understand the actual approximate principles why which things interact and relate. As illustrated previously, the relations we map out are never simple or abstract, but always interconnected and heterogeneous. Whenever an employee gets fired, this is not a single event affecting one individual, but a complex and connected event from which a multitude of different lines can be traced. By the principle of multiplicity, this event

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[29] Scott, *Organization Philosophy*, 92

is not even *one* event but a plurality of related events which can in no satisfactory way be disentangled (how does one isolate the bad-performance, bad-marriage, … etc. with the event of this employee's termination?). Moreover, the termination of the employee-organisation line, by the principle of asignifying rupture, simultaneously initiates the creation of new relations, such as potential jobseeker-interview lines. As we can see, this single event is already a crowded intersection of relations that can be mapped without assuming there is any actual beginning or end to this mapping operation.

This final point is the key point of departure by which a philosophy of difference changes our interpretation or organisational theory. That is, the internalisation effects in the integrated model approaches the rhizomatic understanding in many ways, such as in its description of the interrelatedness of value spheres, and the description of ways by which a negative externality can come back to directly affect an organisation. However, these internalisation effects operate in terms of a tracing rather than a mapping operation. It is assumed there is somehow a complete picture of internalisation effects which we can more or less accurately represent. Under a philosophy of difference, there is no such complete picture. The following of internalisation mechanisms is necessarily a mapping operation, which is inevitably bound to create an incomplete and one-sided image of that which is mapped.

Taken seriously, the incompleteness of the mapping operation of internalisation mechanisms and other economic laws means we cannot use them as an objective or complete description of reality. At most, they are partial and biased descriptions of concrete cases. For example, any business seeking to balance social, economic, and environmental value will need to quantify particular ways in which any economic decision can lead to internalisation effects in the social and environmental spheres. However, this business can only ever be aware of so many internalisation mechanisms and will be able to quantify even less. For any company like this, there is no complete picture of internalisation of external effects; there is only a partial description, biased toward the internalisation mechanisms that are known and measurable.

Still, the question remains as to what is to be done with the economic theories we now hold. Even if at a fundamental level these theories do not portray what shapes our real experience, there is another relevant purpose for such theories we have not discussed yet. Science does not just attempt to produce real knowledge about the world, but also models which are useful tools in achieving our goals.

Strategic and Obstructive Uses of Universal Theories

As alluded to previously, embracing a philosophy of difference does not mean the complete rejection of identitarian, arborescent thinking. Even given the fact that things are internally primarily different, structures can and will emerge that can for all practical purposes be treated as arborescent. In fact, our very object of analysis, the firm, is one which by definition tends towards arborescence. While this may at first glance seem to be a problem for the current analysis, this is not necessarily the case. Appealing

to a philosophy of difference does not have to mean the rejection of abstract objects, but rather only the rejection of this abstractness as the ontological grounds for the object's existence. Organisations are rigid, and often can seem to conform to abstract rules, even while those rules do not explain the existence of organisations. Thereby, seeing companies in the light of some arborescent concepts is often a useful exercise and tool. For the economists discussed at the start, positing an abstract firm interacting with its environment allows for the creation of a single valued objective function which can be applied in daily decision-making to decide between alternative courses of action. As such, a general distinction needs to be made between strategic and obstructive uses of abstract theories like that of the organisation.

The productive usage of abstract theories is called strategic because of a combination of two factors. First, decisionmakers will have certain goals which can be achieved by the presupposition of abstract entities or mechanisms. And second, the knowledge of a philosophy of difference implies the awareness that this presupposition does not and cannot explain our real experience. That is, actors can and should in many cases decide that such presuppositions will help them in the furtherance of their particular goals. We can therefore call this usage of abstract theories strategic essentialism, as opposed to obstructive essentialism.

Obstructive essentialism then, will actually stand in the way of the particular goals of decisionmakers. Wherever there is a commitment to finding anything akin to 'the true underlying nature' of a thing, there is a hopeless pursuit to the sort of abstraction one will never find in experience. For example, a marketing team trying to find the 'best' way of connecting with customers (typically an abstract *'persona'* of a customer) independently of the wishes of any particular customer will find themselves falling into the essentialist trap. Marketeers have recently become aware of this, starting a trend of 'personalised advertising'. This can be seen as a practical case where decisionmakers become aware of the potentially obstructive nature of essentialism. Now, note here that 'obstructive' invariably implies some underlying particular goal or objective in relation to which essentialism is obstructive. In the case of the marketeers, one might imagine it is their corporate goal of achieving brand growth, or personal goal of achieving professional success.

When considering the distinction between strategic and obstructive uses of abstract ideas, it is crucial to realise that the ideas discussed are themselves relevant powers in the multiplicity. The frame through which an image is created itself affects the experience of the image. This is particularly in the case of organisations, where the abstract idea we have of organisations (however little concrete existence such an idea has) are vitally important to the physical manifestation of that organisation. As such, positing essentialism solely as a tool that can be used strategically or obstructively somewhat neglects the fact that we are ourselves affected by this tool. As such, this is a nuance that should be accounted for in the consideration of whether the usage of an abstract idea furthers some particular goal or not.

Further, note that a philosophy of difference makes no ethical commitment to the *kinds* of goals decisionmakers should pursue. The theory, as applied here, is purely ontological. This is key when, given the distinction between the obstructive and strategic usages of essentialism, we attempt to now better understand where the organisational theories discussed at the start stand against a philosophy of difference.

Consider the underlying ethical commitment that the discussed organisational theories have towards achieving economic progress. A philosophy of difference implies the realisation that this is not a universal, yet only a particular set of goals that will be held by particular group of people. Recognising the commitment these theories make toward economic progress and recognising that these people share this commitment as a personal goal, they will therefore be able to use these organisational theories in a useful, strategic manner. Conversely, if the essentialist commitment made by such theories is in misalignment with a group's particular goals, then this will be an instance of obstructive essentialism.

In particular, someone's personal commitment to economic progress might compel them to uphold and support the integrated model of the organisation despite recognising its underlying flaws. Such a person might certainly agree that it is in principle impossible to completely map out all the economic benefits, externalities, and internalisation effects of any given decision. Still, they might be pragmatic in arguing that it is still our responsibility to find the places where our decisions can create and balance the most amount of economic, social, and environmental value. In other words, to develop an organisational model aligned with a philosophy of difference might gain on nuance but lose on tractability. When faced with alternate courses of action, many decision makers will gain nothing in terms of their decision procedure from the added nuance of a philosophy of difference. That is, the criticism of organisational theory remains vapid so long as we cannot provide a satisfactory alternative single-valued objective function.

However, these considerations remain pragmatic rather than fundamental to our discussion. It is possible to criticise the usage of organisational theories for having some fundamentally flawed assumptions without immediately providing an alternative. Specifically, providing an alternative model can be regarded as the proper purview of economic theory, rather than more philosophical pursuits like these. Still, in the absence of such an alternative it remains possible that pragmatic decisionmakers will still regard the usage of current organisational theories as a strategic usage of essentialist ideas.

Conclusion

Practical organisational theories remain at the basis of almost all major decision making of businesses around the word. By positing the abstract goal of maximising economic value, different economists have in several different ways made efforts to provide single valued functions by the hand of which decisions can be made. However, depending on which abstract laws economists suggest to describe the firm's interaction with its environment, different suggested actual goals for the organisation have emerged. In the shareholder model, the theory of invisible hand economics suggests that decisions should be made to maximise shareholder value, and that any externalities are the proper role of governments. The stakeholder model suggests that these externalities are tied to the specific investments made by firms, and thus that more economic value can be created if firms operate to maximise all stakeholder value (rather than just shareholders). Finally, the integrated model takes a theory of internalisation of external effects of the firm and interrelatedness of value spheres to suggest it is in the organisation's direct interests to maximise and balance economic, social, and environmental effects. Thereby, each framework builds on the previous, taking more ways into account by which a firm interacts with its environment, and stipulating different organisational goals to address to this complexity.

This development in organisational theory is already indicative of the fact that our ideas of what an organisation does, how it interacts with its environment, and what sorts of abstract goals for organisations we set, has an influence on the actual objectives that organisations should pursue. Given these facts, it should be evident that we would want our description of organisations, their goals, and their interactions to be aligned with the reality of concrete organisations. That is, we want our theories to be accurate to reality. For example, stakeholder model is suggested to be better than a shareholder model because it is better able to account for the internal nature of the created externalities. The key question to ask then, is the final integrated model an adequate portrayal of concrete reality?

Those who are familiar with the philosophy of difference, as strongly supported by Gilles Deleuze, would doubt this. By suggesting the existence of abstract laws of interaction, and the universally held moral value of economic value maximisation, organisational theorists implicitly commit themselves to a philosophy of identity. That is, they have to assume an abstract essence of an organisation, and the ways through which it interacts with its environment. Alternatively, such a philosophy will first seek to identify what characteristics the general case of a particular thing, and then evaluate the particular instances of that thing against this general case. In a philosophy of difference, this order is completely reversed. For Deleuze, a philosophy of difference suggests the realisation that things are first and foremost unique or different, and only secondarily subject to forces that make them to more or less complete wholes. Moreover, even if this unification of things happens, a philosophy of difference does not seek an explanation in some abstract unity outside of the thing considered but will consider the

multiplicity of internal forces and desires expressed within a certain thing that make it into what we experience.

To understand a system under a Deleuzian concept of difference, it is crucial to understand the rhizome, as a metaphor to describe the approximate characteristics of a differential system like an organisation. In such a system, any point is always connected to any other point in the system, and this connection happens at multiple levels; be it biological, psychological, social, etc. Moreover, a system in terms of a rhizome always lacks a unity that the different points relate to. Rather, there are always only a multiplicity of different lines of power and desire between different points. Further, these lines of the system cannot be broken or separated without at the same time creating additional lines within the system. Finally, such a system understood as a rhizome cannot be 'traced out' as if to get an accurate description of the complete system. Instead, we can only map particular lines to see where they go, but while recognising that the map does not end when the mapping operation ends.

Given that we accept a philosophy of difference, then this has implications for our understanding of organisational theory. For one, we may find that a philosophy of difference is better able to explain our concrete experience. That is, in practice we find the sort of interplay of forces and desires which economic theories by no way can account for. This is because economics necessarily works by abstracting from particular cases. Conversely, a philosophy of difference is not at all embarrassed by this inability to completely describe and understand an organisational system, as this was one of the very characteristics of the rhizome. This would be one reason to reject the economic models as suggested for example by organisational theorists. However, even if at a fundamental level such models cannot portray what happens in concrete cases, this does not mean that these models cannot be useful tools given particular goals. In general, decisionmakers should ask themselves whether such abstractions, despite not being an accurate portrayal of concrete reality, are helpful in the furtherance of their particular goals. In the case of organisational theory, if one's goals are aligned with the general goal of maximizing economic value, then the value of this organisational theory may yet stand, despite suggesting the existence of abstract entities we cannot find in concrete experience. Specifically, decision makers may feel that the need for a single-valued objective function to choose between alternate courses of action requires us to be pragmatic in adopting organisational theories despite our awareness of its limitations.

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