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Abstract

Since the 2003 article by Meckler and Baillie in this journal, a fruitful debate has taken place on the nature and attainability of objectivity in the study of organizations. The author argues that though it is impossible to know whether a theoretical claim is epistemically objective or not, it may be accepted as plausible when it is felt to be in some accordance with “the given”—empirical findings, subjective/intersubjective ideas, thoughts and feelings, and the opinions of and cultural categories used by others. Processes of resistance and accommodation occur during research as well as within scientific communities, enhancing the plausibility of certain theoretical claims over others. Accepted theories feed back into the research process as well as its subject matter, thereby affecting subjective/intersubjective judgments of plausibility. Openness, honesty, and responsibility are particularly important in the evaluation of the plausibility of theoretical claims.

Keywords

objectivity, plausibility, the given, resistance, openness

In the September 2003 issue of this journal, Meckler and Baillie (2003a) initiated a debate regarding the importance of truth and objectivity for organization studies. They summarized their position as follows:

A claim, such as an assertion or a belief, is either true or false. If true, it is made true by the world being the way the claim says it is. A claim is *epistemically objective* when its truth holds independently of any individual's thoughts or feelings about it. A property is *ontologically subjective* if it is essentially dependent on mentality. Organizational science makes epistemically objective claims about properties that are ontologically subjective in the sense of being *observer-dependent*—their existence consists in human practices. Although they exist independently of any *individual* person, they depend on our *collective* attitudes and activities. In this sense, claims of organizational science are social constructions. But they can be true nonetheless. (Meckler & Baillie, 2003b, p. 299)

This position is ontologically realist (human practices are seen to exist independently of any *individual* person) and epistemologically objectivist (organizational science is seen to make epistemologically objective claims, that is, claims of which the truth holds independently of any individual's thoughts or feelings about it). At the same time, the subject matter of organizational science is seen to be socially

constructed, as the existence of the properties about which organizational science makes claims are seen to consist in human practices (it is *ontologically subjective*). According to Meckler and Baillie (2003a), epistemologically objective claims can be developed from plausible ideas by means of “the scientific method”: “We utilize the scientific method as a useful technique for moving from plausibility to accuracy and for finding out whether the world does in fact coincide with our hypotheses” (p. 276).

The article by Meckler and Baillie was commented on by Gioia (2003) and Lounsbury (2003), who both defended the constructionist position. This position is also ontologically realist and subjective, but it differs from Meckler and Baillie's in being epistemologically relativist and subjectivist. As articulated by Gioia, “Theoretical statements . . . are intersubjectively produced, linguistically based social constructions . . . For that reason, the attributes of such statements are subjective, biased, artifactual, and all the other scary terms that drive positivists into apoplectic fits” (p. 286). Social practices of persuasion are considered important determinants for the acceptance of theoretical interpretations, but so are plausible interpretations of empirical findings: “A major

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aspect of doing science is to engage in social practices of persuasion *on the basis of favored interpretations of data* . . . Social science *is* . . . a demonstrably rhetorical enterprise over various plausible interpretations of experience" (p. 291). Lounsbury, in his turn, stated, "Social structure shapes how kinds of research and knowledge become accepted as well as what gets published where" (p. 295). He also referred to "the political processes that shape variation, selection, and retention of research findings" (p. 297). In light of this, Lounsbury followed Baum (2002) in arguing for the acknowledgment of difference between various organizational perspectives "while maintaining the belief that organizational analysis can be rigorous, systematic, and lead to knowledge cumulation and refinement" (p. 297).

In a response to the comments made by Gioia and Lounsbury, Meckler and Baillie (2003b) expressed their disagreement with this kind of relativism. They raised the following important issue: "How, then, are we to distinguish *good* and *bad* social science? We suggest that Gioia and Lounsbury cannot—because they lack the theoretical resources to even make that distinction" (p. 302).

The Meckler and Baillie article provoked some further comments in the June 2005 issue of this journal. According to Ryan (2005), the concept of truth should not be limited to correspondence with the facts and should be made applicable to normative claims, counterfactuals, value claims, and that which "lies hidden behind or within assertions that are not themselves true" (p. 122). Objectivity is seen to depend on existing beliefs in certain "background conditions," and as such, "Objectivity is best seen as a matter of degree" (pp. 122-123). This led Ryan to provide the following "loose formulation": "A statement is objectively true to the extent that its background conditions are plausible, reasonable, self-evident (and so on)" (p. 123). This epistemological position appears to be in line with the position taken by Gioia, emphasizing the relevance of subjectivity, plausibility, and reason.

In his turn, Hunt (2005) proposed "a scientific realist model of truth that focuses on the successes and failures of empirical tests" (p. 132). This model combines ontological realism with the idea that "knowledge will never be known with certainty" (p. 131) due to the "fallibility of our perceptual (measurement) processes" (p. 131) and the tenet "that the long-run success of a theory gives reason to believe that something similar to the entities and structure postulated by the theory actually exists" (p. 133). Hunt's model aims to "yield knowledge that is truly worthy of others' trust" (p. 137), where trust "exists when one has confidence in another's reliability and integrity" (p. 135), and where "the confidence of the trusting party in the trustworthy party's reliability and integrity is associated with the belief that the trustworthy party has such attributes as being consistent, competent, honest, fair, helpful, and benevolent" (p. 135). This position is in line with Meckler and Baillie's position in terms of being

epistemologically objectivist, but it also emphasizes the impossibility of reaching certainty and the persistent relevance of plausibility.

From this concise depiction of the debate, it can be said that important headway has been made. All contributors appear to accept ontological realism as well as the constructionist ontological argument that the social world is socially constructed. Moreover, during the course of the debate the central relevance of plausibility—as indicated most clearly by Gioia—has rightly become more salient. What remains is a stark opposition between the epistemological objectivism of Meckler and Baillie and Hunt, on the one hand, and the epistemological relativism and subjectivism of Gioia, Lounsbury, and Ryan on the other. In addition, a dispute remains with regard to the path and the procedures to follow to enhance the plausibility of theoretical statements. Where Meckler and Baillie and Hunt argue for some kind of "scientific method," Gioia emphasizes the importance of persuasion on the basis of favored interpretations of data, and Lounsbury argues for the acknowledgment of difference in perspectives.

In this article, I contend that further headway in this debate can still be made. In my view, the stark opposition between epistemological objectivism and epistemological relativism and subjectivism is at least to some extent due to a difference in focus. In their contributions, Meckler and Baillie and Hunt appear *de facto* to be focused on the subjective/intersubjective assessment of epistemological objectivity. For instance, Meckler and Baillie (2003a) argued, "When *you* make a statement, especially a scientific statement, *you* are claiming that the world is a certain way" (p. 274, *italics added*). They further indicated their intersubjective focus in their statement that "Portland *is* rainy in January. *We* live there, so *we* should know" (Meckler & Baillie, 2003b, p. 302, *italics added*). As I will indicate in the following example dealing with transaction-cost economics (TCE), Hunt similarly appears to focus on the intersubjective assessment of epistemological objectivity. By contrast, the comments made by Gioia and Lounsbury appear primarily to be concerned with collective processes of constructing and presenting bodies of theoretical statements *as* (plausible) knowledge. Hence, Gioia's emphasis on social practices of persuasion and Lounsbury's attention to social structure, political processes, and difference in perspectives.

As I will argue with regard to subjective/intersubjective assessment, in contrast to Meckler and Baillie's claim, it is impossible to find out whether a theoretical claim can be said to be epistemically objective or not. What is needed, rather, is a careful consideration of the determinants of subjective/intersubjective reasons to accept a theory as a plausible depiction of organizational life, and this requires going beyond the suggestions made by Hunt. Constructionists, in their turn, have rightly focused on the plausibility criterion,

but they have not clearly identified the way in which plausible interpretations are arrived at. In this article, I aim to contribute to this debate by specifying the path and means by which plausibility may be enhanced.

To do so, I draw on some of Pickering's (1995) ideas to indicate the basic processes of "resistance" and "accommodation" through which plausibility of a theory may be enhanced by bringing it in some accordance with empirical findings, subjective/intersubjective ideas, thoughts, and feelings, and the opinions of and cultural categories used by others. Drawing on Kuhn's (1962, 1970) depiction of a "paradigm shift," I argue that similar processes of resistance and accommodation exist at the collective level during which a plausible idea or theory may become part of the accepted body of knowledge in a particular scientific community. As pointed out by Giddens (1976, 1984) in his concept of the "double hermeneutic," this body of knowledge subsequently feeds back into the research process as well as its subject matter. This affects subjective/intersubjective judgments of plausibility both directly and through reactions by social actors. Because theories may shape the social world through implementation in some shape or form, they may become more plausible—as indicated by the idea of "performativity" (Ferraro, Pfeffer, & Sutton, 2005; MacKenzie, 2006a)—or less plausible—as indicated by the term "counterperformativity" (MacKenzie, 2006b). In response to learning about certain theories, social actors may also implement ideas that do *not* form part of those particular theories—with "reactance" constituting an extreme case (Brehm, 1966; Brehm & Brehm, 1981). This again may make such theories either more or less plausible. In light of these feedback processes, I will argue that in addition to the criteria suggested by Hunt to reach plausibility judgments, a combination of openness, honesty, and responsibility is particularly important.

To demonstrate the relevance of my argument, I will next revisit the example from TCE presented by Hunt. As I will argue, the critical position taken by Hunt, as well as the championing of TCE by Williamson, are, by necessity, based on subjective/intersubjective judgments directing and resulting from processes of resistance and accommodation. The example illustrates the dependence of any evidence-based approach on subjective/intersubjective ideas, thoughts, and feelings, and the opinions of and cultural categories used by others.

The Impossibility of Reaching Certainty About Epistemological Objectivity

According to Meckler and Baillie (2003b), a claim is objective when its truth holds independently of any individual's thoughts or feelings about it. As I will argue, it is impossible to find out whether a theoretical claim can be said to be objective, but it is equally impossible to find out whether a (plausible) theoretical claim can be said to be *not* objective.

In assessing the epistemological objectivity of a theoretical claim, I may be fully convinced that the claim is objective, and others may share my opinion. But two important philosophical arguments have demonstrated the impossibility of reaching certainty about epistemological objectivity. These arguments are known as the "Duhem–Quine underdetermination thesis" and "theory-ladenness."

According to the Duhem–Quine underdetermination thesis, it is impossible to find out whether any theoretical claim is objective because any test of a theoretical claim requires the making of a number of auxiliary hypotheses regarding the empirical evidence, the testing technique, and relevant control conditions. In effect, it is impossible to know whether or not encountered evidence provides support for a particular theory, as this depends on the auxiliary hypotheses made (which may or may not be recognized for being used; Hands, 2001).

The term "theory-ladenness" refers to the idea that the "facts" used in analyses are always dependent on theories. As Feyerabend (1988) put it in reference to the natural sciences,

The material which a scientist *actually* has at his disposal, his laws, his experimental results, his mathematical techniques, his epistemological prejudices, his attitudes towards the absurd consequences of the theories which he accepts, is indeterminate in many ways, ambiguous, *and never fully separated from the historical background*. It is contaminated by principles which he does not know and which, if known, would be extremely hard to test. Questionable views on cognition such as the view that our senses, used in normal circumstances, give reliable information about the world, may invade the observation language itself . . . The sensory impression, however simple, contains a component that expresses the physiological reaction of the perceiving organism and has no objective correlate. This "subjective" component often merges with the rest, and forms an unstructured whole which must be subdivided from the outside with the help of counterinductive procedures. . . . Finally, there are the auxiliary premises which are needed for the derivation of testable conclusions, and which occasionally form entire *auxiliary sciences*. (pp. 51-52)

Thus, because observations are always dependent on the theoretical framework and the physiological and psychological characteristics of the observer, the objectivity or lack of objectivity of a theory can *never* be proven unambiguously. This holds as much, if not more, for the study of organizations as for the natural sciences. As indicated by Alvesson (2002), the collection of data during social research is affected by the researcher's philosophical, theoretical, and political commitments; the expectations, interests, and commitments

of those studied; the complex interplay between those being studied and the researcher; and the development of conceptual categories and the ordering of empirical material. The subsequent analysis of such categories and material is affected by theoretical frameworks, vocabularies, and conventions, whereas the writing process is influenced by writing conventions. Taken together,

One can imagine that another researcher, with another ethnic background, gender and political orientation, making some slightly different choices of people to study, presenting the project in a somewhat different way and using a different interview style, with other favoured categories and vocabularies, etc., would produce rather different research results. This could very well be the case even if the basic ingredients of the study—research topic, paradigm, methodology etc.—are similar. (Alvesson, 2002, p. 9).

In contrast to Meckler and Baillie's argument, then, there is no way to find out whether a theoretical claim can be considered epistemically objective or not. But this does not mean that theoretical claims may not be *subjectively felt* to be objective and that such feelings may not be shared by others. Moreover, such subjective/intersubjective felt objectivity is not necessarily incorrect, so that one should accept epistemological relativism. In other words, although it is impossible to find out whether a theoretical claim is epistemically objective, it is equally impossible to find out whether it is *not*. Neither epistemological objectivism nor epistemological relativism can be upheld at the subjective/intersubjective level. Also, no redefinition of "objectivity" in terms of plausible background conditions is required—as proposed by Ryan. Rather, what is needed is a careful consideration of the determinants of subjective/intersubjective reasons to accept a theory as a plausible depiction of organizational life. In this consideration, I will go beyond the suggestions made by Hunt.

Determinants of Subjective/Intersubjective Judgments of Plausibility

It is my argument that a theory may be accepted as a plausible depiction of organizational life when it is felt to be in some accordance with what may be called "the given." This includes empirical findings, subjective/intersubjective ideas, thoughts, and feelings, and the opinions of and cultural categories used by others. All these elements of "the given" contribute in one way or another to subjective/intersubjective judgments of the plausibility of empirical findings and theories. To elaborate on this point, I will begin by drawing on some of Pickering's (1995) ideas.

Pickering (1995) discussed the process of encountering resistances during research and responding to such resistances by adjusting theories in a process of accommodation. In his

practice-oriented depiction of the natural sciences, Pickering sees scientists as performing a "dance of agency":

As active, intentional beings, scientists tentatively construct some new machine. They then adopt a passive role, monitoring the performance of the machine to see whatever capture of material agency it might effect. . . . Does the machine perform as intended? . . . Typically the answer is no, in which case the response is another reversal of roles: human agency is once more active in a revision of modelling vectors, followed by another bout of human passivity and material performance, and so on. The dance of agency . . . thus takes the form of a *dialectic of resistance and accommodation*, where resistance denotes the failure to achieve an intended capture of agency in practice, and accommodation an active human strategy of response to resistance, which can include revisions to goals and intentions as well as to the material form of the machine in question and to the human frame of gestures and social relations that surround it. The practical, goal-oriented and goal-revising dialectic of resistance and accommodation is, as far as I can make out, a general feature of scientific practice (pp. 21-23).

Translated to the study of organizations, this refers to a process in which a theory about organization is implemented in practice, and where the lack of performance of the theory—in Pickering's (1995) terminology: a "failure to achieve an intended capture of [social] agency in practice"—is referred to as "resistance" leading to accommodation in terms of "revisions to goals and intentions" as well as to the theory used and its practical implementation.

Pickering (1995) extended this idea to the encounter with facts ("empirical statements about the world" p. 68), where resistance denotes a conflict between the empirical attributions of a theory and the facts that are encountered, which subsequently requires accommodation. Finally, he described the process during conceptual elaboration, where resistance refers to a conflict between a conceptual extension and existing conceptual schemes ("disciplinary agency" p. 115), again requiring accommodation.

In summary, Pickering (1995) argued that when conflicts are encountered between practical performance, empirical statements, and conceptual schemes, on the one hand, and theoretical claims, on the other, a process of accommodation should occur during which modifications are made to the theoretical claims. This idea may be extended in several ways. First, in light of the dependence of observations on the subjectivity of the researcher, conflicts between subjective/intersubjective ideas, thoughts and feelings, and theoretical claims should be brought into the equation. The opinions of and wider cultural categories used by others (including conceptual schemes) are of import as well. Second, just as conflicts are relevant to judgments of plausibility, so are

situations in which such conflicts are lacking. Third, accommodation should also be seen as including modifications in the *interpretation of* (practical) empirical findings; in subjective/intersubjective ideas, thoughts, and feelings; and in the opinions of and cultural categories used by others. In other words, accommodation should not be seen as entailing a one-sided adjustment of theoretical claims; rather, it should be seen as multidimensional. Finally, during the process of accommodation, it is to be expected that “resistances” will be continuously encountered.

A theory may, then, be accepted as plausible when it is in accordance with (practical) empirical findings; subjective/intersubjective ideas, thoughts, and feelings; and the opinions of and cultural categories used by others. When conflict exists, a multidimensional process of accommodation should occur during which an attempt is made to resolve the conflict. The outcome of an effective process of accommodation will be an enhanced plausibility of the theory. Before discussing potential criteria that may be applied during accommodation, I will first turn to the relationship between plausibility and collective processes of constructing and presenting bodies of knowledge.

Plausibility and Collective Processes of Constructing Bodies of Knowledge

How does the outcome of a research process become part of accepted bodies of knowledge in scientific communities? This is where Gioia's (2003) emphasis on social practices of persuasion becomes relevant, as well as Lounsbury's (2003) reference to social structure and political processes. Reputation, institutional affiliation, rhetorical abilities, network ties, and consistency with traditions and positions taken in the past may well be more important than the amount and plausibility of the empirical evidence (Astley, 1985; Lounsbury, 2003; Mahoney, 1977; Zuckerman & Merton, 1971). The process of social science in practice is in fact a demonstrably *political* enterprise. As such, an analysis of this enterprise is as broad as the study of politics itself. Rather than going into an extensive discussion of academic politics, I will here keep a focus on the role of plausibility—in line with the general tenor of the debate in this journal.

How, then, may a plausible theoretical claim become part of a body of knowledge? This was a question Kuhn (1962, 1970) concerned himself with in his book *The Structure of Scientific Revolutions*. According to Kuhn, bodies of knowledge tend to be constructed and presented from within a given “paradigm.” By means of this term, Kuhn (1970) referred to “that what members share that accounts for the relative fullness of their professional communication and the relative unanimity of their professional judgments” (p. 82). Different paradigms may coexist within a particular field of research, a salient example being the field of organization studies (Burrell & Morgan, 1979; Gioia & Pitre, 1990; Hatch & Cunliffe, 2006; Scherer & Steinmann, 1999).

According to Kuhn (1970), theories belonging to different paradigms are “incommensurable,” implying that due to the lack of a shared language such theories cannot be compared along a common standard (pp. 266-267). This, together with existing commitments to paradigms, entails that resistance to a plausible theoretical claim requiring a paradigm shift can be particularly stark. In line with Pickering's (1995) usage of the term, “resistance” may here be seen to refer to a conflict between the opinions of and cultural categories used by adherents of the paradigm and those embodied by the plausible theoretical claim. Here, too, a process of accommodation may occur:

To say . . . that paradigm change cannot be justified by proof, is not to say that no arguments are relevant or that scientists cannot be persuaded to change their minds. Though a generation is sometimes required to effect the change, scientific communities have again and again been converted to new paradigms. (Kuhn, 1970, p. 152)

Kuhn's incommensurability thesis has not remained unchallenged. First of all, the boundaries between paradigms are not as strict as Kuhn originally argued, and several methods have been proposed to overcome incommensurability (Baum, 2002; Gioia & Pitre, 1990; Kuhn, 1977; Scherer & Steinmann, 1999; van Eemeren, Grootendorst, & Henkemans, 2002). Moreover, the argument can be made that a certain level of incommensurability may already exist at the subjective level, due to the theory-ladenness of facts (Feyerabend, 1988). Nonetheless, Kuhn's depiction of a paradigm shift points to the existence of basic processes of resistance and accommodation during which a plausible idea or theory may become part of the accepted body of knowledge in a particular scientific community—whether or not we should speak of “incommensurability” and/or “paradigm shift.”

Importantly, the accepted body of knowledge feeds back into the research process as well as its subject matter. This is captured by the concept of the “double hermeneutic.” As defined by Giddens (1984, p. 284), the “double hermeneutic” refers to a reflexive process of interpretation: the interpretation by social scientists of social phenomena, and the subsequent interpretation of findings of the social sciences by social actors. This way, discoveries of the social sciences enter into the activities that compose its subject matter (Astley, 1985; Bourdieu & Wacquant, 1992; Giddens, 1976, 1984; Lofland, 1976).

This has several implications. First, the acceptance of a body of knowledge by researchers may influence their plausibility judgments of other theoretical ideas. Second, theories may shape the social world when they are consciously or unconsciously implemented in the form of organizational structures, practices, action patterns, social norms, expectations, or other cultural elements compatible with the

particular theories. As has been increasingly recognized, this may have the effect of making the implemented theories more plausible—as captured by the idea of “performativity” (Ferraro et al., 2005; MacKenzie, 2006a). Alternatively, the implementation of theories in some shape or form may make the theories *less* plausible. This occurs when implementation leads to a shift in social processes that are inconsistent with the implemented theories. MacKenzie (2006b, p. 76) has referred to such a situation as “counterperformativity.” When social actors learn about certain theories, they may also respond by implementing ideas that do *not* form part of such theories. In the extreme case of “reactance,” a social actor may do this because threats are perceived to behavioral freedoms (Brehm, 1966; Brehm & Brehm, 1981). Alternatively, a social actor may simply be indifferent to the particular theories. The effect may again be that the particular theories become either more or less plausible. Whether or not theories remain part of the accepted body of knowledge again depends on processes of resistance and accommodation.

Criteria for Judgments of Plausibility

Overall then, plausibility judgments are constituted by a specific mix of interpretations of empirical findings and opinions of and cultural categories used by others but also of relevant subjective/intersubjective thoughts. As there is no clear guideline how this mix should be established (Hands, 2001), in the end this inevitably leads to subjective/intersubjective judgments of plausibility—as argued by Gioia (2003). This brings up the question which criteria may constitute relevant means for enhancing the plausibility of theoretical claims during the accommodation process.

Regarding this issue, Hunt (2005) is certainly correct in pointing to the relevance of the number of successes and failures of empirical tests. But other empirical findings, opinions, cultural categories, and subjective/intersubjective thought processes are of import as well, depending on the issue under consideration. Hunt's emphasis on *intersubjective* variables such as trust, reliability, integrity, consistency, competence, honesty, fairness, helpfulness, and benevolence are of utmost importance here, to which I would add *openness* and *responsibility*. In fact, the combination of openness, honesty, and responsibility would appear to be especially relevant. Prior to and during the accommodation process, openness allows for the recognition of resistances. Honesty and responsibility compel a resolution of such resistances and affect the direction in which solutions may be sought. Openness is also of utmost importance in light of the impact of paradigmatic perspectives. Not only can any analysis be tainted by the specific perspective taken but a shift in perspective can also lead to the salience of different theories and plausibility judgments (Burrell & Morgan, 1979). Finally, openness is vital in light of the presence of the “double hermeneutic” and its effects. The plausibility of theories may change in light of

responses of social actors to such theories, and it is essential to remain open to this possibility.

Meanwhile, all kinds of criteria may be used to further enhance subjective/intersubjective judgments of plausibility. These may include, for instance, the outcome of empirical tests, some kind of (inevitably imperfect) replication, accuracy, reliability, validity, trustworthiness, authenticity, consistency, scope, simplicity, fruitfulness, the ability to solve problems, neatness, suitability, future promise, explanatory power, and so on (Bernstein, 1983; Bryman & Bell, 2007; Hands, 2001; Kuhn, 1970, 1977).

At the collective level of knowledge construction, the accommodation process would ideally be organized in such a way that the criteria mentioned previously are supported, particularly openness, honesty, and responsibility. In light of the political nature of academia (Lounsbury, 2003) and the powerful human need to appear consistent (Cialdini, 1993), this should not be taken for granted. Meanwhile, the possibility of incommensurability may be tackled by using methods that help enhance communication (e.g., Gioia & Pitre, 1990; Scherer & Steinmann, 1999; van Eemeren et al., 2002).

An Example: Revisiting TCE

In illustrating my argument, I will make use of the same practical example from strategic management as was presented by Hunt (2005). Hunt deserves great credit for providing a highly relevant example from organization studies. But the interpretation of his example is less straightforward than he argues, and this can serve to highlight the argument made here. Hunt presented his example as follows:

David and Han (2004) reviewed the transaction cost economics (TCE) approach to strategic management, identified its six core tenets, and assessed the extent to which 308 empirical tests (found in 63 articles) support the core tenets of TCE . . . when they . . . “weighed” the total empirical evidence, they found overall support to be at 47%. (pp. 132-133)

On the basis of this,

David and Han (2004) disagreed with Williamson's (1996) claim that “Transaction cost economics is an empirical success story” (p. 55). Indeed, for them, the empirical evidence to date shows TCE to be on “shaky ground” (David & Han, 2004, pp. 55, 134)

For David and Han, as well as for Hunt, with overall support at 47% in 308 empirical tests, the entities and structure postulated by TCE are unlikely to exist.

This judgment has not been taken over by Williamson. In an article published in 2005, he wrote:

Of special importance to the TCE enterprise are (1) its plausibility, especially with reference to the description of human actors and mechanisms through which it works, (2) its applied orientation, with emphasis on the governance of contractual relations (including the theory of the firm as governance structure), (3) its intertemporal process orientation, with emphasis on going concerns, (4) its interdisciplinary foundations in law, economics, and organization, and (5) its insistence on refutable implications and empirical testing. (p. 37)

In addition, in a recent article, Williamson (2007) stated:

[E]mpirical tests of the predictions of the theory have ensued. By contrast with theories of economic organization that yield few refutable implications and/or are very nearly nontestable, transaction cost economics invites and has benefited from empirical testing. Indeed, “despite what almost 30 years ago may have appeared to be insurmountable obstacles to acquiring the relevant data [which are often microanalytic and require primary data], today transaction cost economics stands on a remarkably broad empirical foundation” (Geyskens, Steenkamp, & Kumar, 2006, p. 531). There is no question but that TCE is more influential because of the empirical work that it has engendered. (pp. 17-18)

According to Williamson, TCE is not only plausible, it is seen to stand on a “remarkably broad empirical foundation.” Williamson’s judgment is apparently shared by the 2009 Nobel Prize Committee as well as by a wide range of authors applying TCE (e.g., Banterle & Stranieri, 2008; Buitelaar, 2007; Ellram, Tate, & Billington, 2008; Geyskens et al., 2006; Hu, Liu, & Zhang, 2008; Jin & Doloi, 2008).

Are Williamson, the Nobel Prize Committee, and the authors applying TCE mistaken? At first glance, the meta-analysis performed by Geyskens et al. (2006) appears to support Williamson’s position rather than that taken by David, Han, and Hunt. On the basis of the results from 200 articles and a sophisticated application of meta-analytical techniques (Hunter & Schmidt, 1990), Geyskens et al. found statistically significant results that, in their view, provided support for most of the claims made by TCE. But this is contradicted by their acknowledgment of the existence of unresolved questions such as distinguishing between transaction cost reasoning and alternative arguments.

Distinguishing between transaction cost reasoning and alternative arguments. Different theories sometimes make the same predictions but specify quite different underlying motivations. For example, does asset specificity motivate hierarchical governance because it renders contract formation troublesome and potentially

exposes firms to opportunistic behavior, or do firms integrate because such internalization facilitates the coordination of asset-specific activities in their quest for sustainable competitive advantage (as in knowledge-based theories)? In a similar vein, do firms integrate in the presence of transaction-specific assets to economize on the costs resulting from planning and adapting contracts because of a continuing trading relationship, or do they integrate to reduce resource dependence? Given the congruity of several antecedents of governance choice over competing theories, in future empirical work researchers should attempt to gain insight into the underlying mechanisms driving governance decisions, by measuring the managerial motivations mediating the relationships between transaction dimensions and governance mode chosen. (p. 532)

How can the authors unequivocally state that “transaction cost economics stands on a remarkably broad empirical foundation” (p. 531), when their findings may not support TCE *at all*, but rather some other theory? Clearly, there is an article of *faith* here, especially when they also indicate that their test is incomplete (p. 521), that “most relationships were moderated by unknown variables” (p. 528), that they did not include all relevant studies (p. 532), and that

with a few exceptions, this research ends up answering the question, “How does the performance of firms that adopt a particular governance arrangement compare to that of firms that adopt alternatives to that arrangement?” But the correct question to ask, from a governance-choice perspective is, “How does the performance of a firm that adopted a particular arrangement compare with how *that same firm* would have performed had it adopted an alternative?” (p. 534).

Both the opinions of David, Han, and Hunt, on one hand, and those of Geyskens, Steenkamp, and Kumar, on the other, are, therefore, based on some kind of intersubjective judgment. There is no way to find out whether or not TCE can be said to be epistemically objective. Although the “resistance” to the opinions of David, Han, and Hunt posed by the study by Geyskens, Steenkamp, and Kumar certainly suggests the need for a process of “accommodation,” the direction and outcome of such accommodation depends on subjective/intersubjective judgments. For now, with the sanctioning by the Nobel Prize Committee, it appears that TCE is considered an accepted body of knowledge.

Thus, although the weighing of empirical evidence has an important impact on plausibility judgments, in the end, the judgment of whether or not a particular theory is considered plausible depends on the outcome of processes of resistance and accommodation. In their turn, these processes depend on empirical findings as much as subjective/intersubjective ideas,

thoughts, and feelings, and the opinions of and cultural categories used by others.

Conclusion

I have argued that, in contrast to the claim made by Meckler and Baillie (2003a), it is in practice impossible to determine whether or not any theoretical claim is objective. Instead, a judgment of the plausibility of a theoretical claim is an outcome of processes of resistance and accommodation during which the theoretical claim is brought in accordance with empirical findings; subjective/intersubjective ideas, thoughts, and feelings; and opinions of and cultural categories used by others. Similar processes of resistance and accommodation exist at the collective level during which a theoretical claim may become part of an accepted body of knowledge. As a result of the "double hermeneutic," knowledge feeds back into the research process as well as its subject matter, thereby affecting subjective/intersubjective judgments of plausibility in various ways.

Hunt (2005) has indicated a number of criteria that may be used during the accommodation process. In going beyond Hunt's suggestions, I have pointed to the relevance of all kinds of empirical findings; subjective/intersubjective, thoughts, and feelings; and opinions and cultural categories used by others. In addition, I have specifically indicated the importance of openness, honesty, and responsibility during the accommodation process.

The example concerned with TCE has illustrated that, though the weighing of empirical evidence has an important impact on plausibility judgments, in the end, the subjective/intersubjective judgment of whether or not a particular theory is plausible depends on the outcome of processes of resistance and accommodation. These, in turn, depend on empirical findings as much as subjective/intersubjective ideas, thoughts, and feelings, and the opinions of and cultural categories used by others. Seen in this light, the recent call for evidence-based management (Hodgkinson & Rousseau, 2009; Pfeffer & Sutton, 2006; Rousseau, 2006) should be accompanied by acknowledging that "hard facts" are dependent on perspectives and that their subsequent interpretation is affected by subjective/intersubjective ideas, thoughts, and feelings, as well as by the opinions of and cultural categories used by others. Not doing so would risk turning the suggested advantages of evidence-based management into a dangerous half-truth.

To conclude, the debate in this journal regarding objectivity and plausibility has been a very fruitful one, and I hope to have made yet another contribution. Whereas my opinion differs from that of Meckler and Baillie, I agree with Ryan (2005) that Meckler and Baillie "have produced a valuable stimulus to reflection on crucial questions" (p. 124). Although it may not be possible to find out whether a theoretical claim is objective or not, it is essential to recognize

the basic processes of resistance and accommodation during scientific research and the criteria that help enhance plausibility judgments.

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