

## INSTITUTIONS AND MACROCONTINGENCIES: COMMENTS ON GLENN AND MALOTT'S "COMPLEXITY AND SELECTION"<sup>1</sup>

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Sigrid Glenn and Maria Malott (2004) provide a useful and comprehensive conceptual framework for behavioral practitioners working in the area of organizational behavior management. My question is this: Why is it being published in *Behavior and Social Issues* (BSI) rather than in, say, the *Journal of Organizational Behavior Management*? As the BSI "Information for Authors" states, the purpose of this journal is "to advance the analysis of human social behavior, particularly with regard to understanding and influencing social problems. The journal is particularly interested in publishing work related to issues with social justice and human rights implications." The reader is left with the impression that improving the operation of *any* business organizations may better serve the needs of people in general and thereby contribute to the improvement of the human condition. Is it true that better functioning organizations necessarily means a better life for all? While *low* productivity of some organizations could also be a social problem (e.g., the slow rate of providing medical care to patients in a hospital's emergency room), *high* productivity of other organizations could be a social problem (e.g., the high rate of sale of crack cocaine on a city's street corner).

Questions of social justice and human rights vis-à-vis organizations need to be examined within the context of variant and often antagonistic ethical communities (for a thorough skinnerian treatment of ethical communities and human rights, see Vargas, 1975). For example, Glenn and Malott (2004) write: "Organizations consist of the dynamic interaction of human behavior and its products affecting the behavior and products of other humans. Behavior of workers, like behavior in the experimental laboratory, is the result of ... behavioral contingencies" (p. 89). However, workers have their own organizations—labor unions—that compete with those of their employers. What is or should be the product of a labor union? The community of employers would prefer that were no unions. Where workers are already organized, employers would prefer a weak union headed by bureaucrats who are predisposed toward "labor peace" by making concessions on such vital contract issues as reduced medical and retirement benefits, cuts in wages, increases in forced overtime, increases in production rate with no concern for worker safety, and layoffs without regard to seniority. Here one organization's loss is another organization's gain with the "product" of one counterposed to that of the other. Workers and employers may be located within the same physical structure but they are members of a competing ethical community and the nature of their respective organizations reflects this fact.

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<sup>1</sup> Author's note: portions of this paper have been adapted from Ulman (1998).

The primary objective of my comment, however, is not to criticize the authors' overriding concern with the bottom line. Their focus is directed toward the management of organizations, as it should be in a paper intended to provide a systematic framework for analyzing performance problems in business and industrial settings. Rather, I wish to address conceptual issues related to their discussion of large-scale social phenomena. Glenn and Malott (2004) discuss these social phenomena solely in terms of how they affect the productivity of business organizations. To illustrate, government regulations on food labeling impose changes in food manufacturing processes; mergers often revive failing businesses; bankruptcies can result in the disappearance of competitors; fluctuations in the economy have a significant impact on the environment of an organization; and war affects the economy, infrastructure of participating countries, development of military, intelligence systems, supplies, and so forth. The authors consider these large-scale economic phenomena strictly from the perspective of organizational behavior management (which, of course, is appropriate to their purpose). Here I will examine how we can enlarge our perspective beyond that of organizational behavior management, how we can take into account such economic phenomena in their own right and do so in a way that remains paradigmatically compatible with the science of contingency relations.

The attention behavior analysts have given to economics has been confined almost exclusively to concepts coming from neoclassical economics (e.g., demand curves) and interpreted as operant concepts for the purpose of experimental analysis (e.g., choice behavior)—a research area called behavioral economics. Earlier I (Ulman, 1998) discussed the advantages of reconsidering a heterodox school of economic thought that was brought to the attention of behavior analysts some time ago, but unfortunately went largely unnoticed—namely, institutional economics. I was quite surprised to discover that the Glenn and Malott paper, although concerned with economic issues in relation to organizations, makes no reference to institutional economics even though the first author (Glenn, 1985) was the first behaviorist to discuss institutional economics at any length.

Along with a much wider scope of concern than neoclassical (mainstream) economists, institutional economists (a) reject the neoclassical economists' view of "human nature" (*Homo economicus*) which holds that people are inherently individualistic, competitive, and self-seeking—just those characteristics needed to "explain" the capitalist economic system; and (b) have an evolutionary understanding of culture—including such sociocultural variables as power relations and social values. Also in contrast to neoclassical economists, institutional economists emphasize social and economic evolution rather than some process based on automatic market mechanisms; stress the importance of social control and collective action, underscoring the fact that the market economy itself is a system of social control; insist that the allocation of resources are ultimately determined by institutions, especially by power structures, not some abstract concept of a market mechanism; propound that a culture both molds the behavior of its participants and produces variations in some participants' behavior that may eventually change the culture; and rebuke neoclassical economics for taking things for granted and thereby obfuscating and supporting the existing structure of power—"a

structure marked by inequality and hierarchy” (Samuels, 1995 p. 574). In contrast to neoclassical economics, power relations have always been a primary concern in institutional economics. Furthermore, institutional economists focus on altering institutional arrangements to help empower the powerless, not on managing the behavior of individual workers to increase profitability for a minuscule group of billionaire owners (see their primary publication outlet, *Journal of Economic Issues*).

How can institutional economics help us enlarge our perspective to take into account socially significant economic phenomena such as poverty (see Ulman, 1996)? First, we need to recognize that, although quite suitable for its designated purpose, Glenn and Malott’s (2004) concept of organization—“a group of people who perform tasks that achieve a product (including service delivery)” —is too limited in scope for most behavioral scientists. By considering organizations as particular *kinds* of institutions, however, we can begin to relate our operant analysis of behavior to the work of institutional economists.

What, then, is an institution? There is a multitude of definitions, but they generally agree that institutions “fix the confines of and impose form upon the activities of human beings” (Hamilton, 1932, p. 84). The most operationally refined definition I have found is that of Neale (1987): An *institution* is identified by three characteristics: *people doing*, people engaged in observable activities; *rules*, giving the activities repetition, stability, and predictable order; and *folkviews*, participants’ statements explaining or justifying the activities and the rules. Neale (1987) specifies that “*rules* are identified by ordering the doings into repetitive event sequences. [One] observes and records what happens [so that one can,] . . . after a number of observations, state that in such-and-such a kind of situation this person will do this-and-such and another will do thus-and-so” (p. 1182).

In Ulman (1998) I proposed a behaviorological refinement of Neale’s concept of institution as follows:

In place of *rules* (i.e., “orderly event sequences”), we can now substitute the term *macrocontingency* . . . By assuming that “orderly event sequences” are due, not to rules, but to macrocontingencies—including verbally-governed interactions among individuals—we avoid reifying the concept of rules (see Vargas, 1988). At the same time, we do not posit the existence of any new principles of behavior. (Ulman, 1998, p. 209).

Glenn and Malott (2004) incorporate the concept of *metacontingencies*—“relations between cultural level entities and their selecting environments”—into their analysis of organizations. (Note: elsewhere the metacontingency concept has been defined differently; for instance, in Glenn, 1986). So why employ another concept, *macrocontingency*, in the analysis of institutions? Since comments on the Glenn and Malott (2004) paper must be brief, I refer the reader to Ulman (1998) for my criticism of the metacontingency concept and arguments for its replacement with that of macrocontingency. For the present I will state merely that I find the metacontingency—as described in the Glenn and Malott paper—too narrowly defined to be useful for analyzing sociocultural phenomena beyond the range of productive organizations. Second, “meta” (behind or transcending?) suggests a discontinuity between contingency relations that engage the actions of an individual and those that involve the actions of others, whereas

“macro” appropriately suggests a continuum going from micro to macro. Third, the authors’ emphasis on the functioning of organizations in terms of *interlocking metacontingencies* logically precludes analyses of *conflicting* or *competing* contingency relations within and among organizations or, for that matter, other kinds of institutional arrangements.

The concept of the macrocontingency serves to infuse the analysis of contingency relations into the analysis of institutional relations (Ulman, 1998). I defined the macrocontingency as “a set of differing actions (topographies) of different individuals under common postcedent control” (p. 209) and added that “postcedents that increase the actions they follow define reinforcing events; those that decrease the actions they follow define punishing events; and those that have no effect on the actions they follow are neutral or ineffective (and therefore do not exert postcedent control)” (p. 209). In defining the macrocontingency, *postcedent* is a better term than *consequence* because the latter is restricted in meaning to effects produced by behavior (some postcedent events that affect behavior are not consequences) and not all consequences are controlling variables (see Vargas, 1985).

Returning to Neale’s definition of institution, folkviews are not presumed to be necessarily factual. Rather, “what one wants to know is how the ideas of a culture interpret events and explain the world around them” (Neale, 1987, p. 1183). That is, folkviews may vary in the veracity with which they describe institutional situations, depending upon the controlling macrocontingencies. An essential feature of Neale’s definition is that the components of an institution may be observed, but an institution itself cannot be observed as a whole. Rather, what one can observe are activities of people in *situations*. A situation is the total relevant context in which a participant in a society finds himself at any moment. It includes the social rules [i.e., macrocontingencies] and the cultural folkviews as well as the physical or natural environment and it is “structured” by the prior acts (verbal as well as physical) of the participants and others. (p. 1184)

That is, each constituent of an institution can be observed, or can be stated as testable predictions of event sequences: (a) people behaving; (b) the macrocontingencies controlling the coordinated behavior observed in the situations; and (c) the verbal behavior (“folkviews”) supposedly explaining the ongoing situational events in the institution. However, folkviews are nothing more than verbal behavior and as such are amenable to an operant analysis to determine the variables of which they are a function.

Because the contingency relations that constitute macrocontingencies may involve any number of individual or collective actions—verbal as well as nonverbal, covert as well as overt—under the same postcedent control, the complexity of macrocontingency relations is unlimited (whether in reference to environmental, component, or hierarchical complexity that Glenn and Malott describe or still other kinds of complexity). And by virtue of being defined in terms of the actions of different individuals under common postcedent control, macrocontingencies are assumed to operate in conformity with selection by consequences—the causal mode of all living processes: biological, behavioral, and sociocultural (Skinner, 1981). Hence, macrocontingency relations are

capable of describing real correlated actions among any number of individuals. This may manifest any degree of complexity with actual material conditions of sociocultural phenomena ranging from dyads to organizations to institutions to social classes—the latter generating competing actions “among people organized by macrocontingencies into conflicting institutions selected by antagonistic relations of production [fundamentally, the toilers who produce the world’s wealth versus the employers who control it]” (Ulman, 1995, p. 546). In sum, a major advantage of using the behaviorologically refined concept of institution is that we can begin to make interdisciplinary contact with other selectionistic behavioral scientists who are similarly concerned with issues of social justice and human rights—the institutional economists.

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