The Development of Management Theory in Business Organizations, an Overview of the Science Philosophy Perspective

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ARTICLE INFO

ABSTRACT

Based on the philosophy of science, the development of management science uses the perspective of ontology, epistemology, and axiology. In the perspective of ontology, the essence of management theory in business organizations is the science that offers a management process so that business organizations can achieve their goals. The final goal to be achieved by the process this management is the achievement or fulfillment of goals that have been set. Based on an epistemological perspective, management theory in business organizations introduces methods or ways of making decisions or solving problems that can be used by managers in running business organizations. In addition, management science introduces various management theories to be practiced in business activities. In an axiological perspective, ethical values and social responsibility must be a serious concern in applying management science to business organizations. In management theory, business orientation is not only looking for profit but also give attention to the norms prevailing in society and give attention to the interests and welfare of all parties. Because management theory has the perspective of ontology, epistemology, and axiology, management theory is really a philosophy of science. Therefore, management theory needs to be developed to be implemented in business organizations

Keywords: Axiology, business organization, epistemology, management theory, and ontology.

1. Introduction

Every day, human life cannot be separated from organizational life. Every human being enters various organizations that are followed, For example, organizations in religion, sports, business, and other community activities. Through organizations, humans can mingle and interact, and collaborate with others. An organization is formed when two or more people commit themselves to work together through a certain structure in achieving a set of goals that has been mutually agreed upon. The purpose or set of goals will then become the fundamental elements in determining the main activities and other operational activities. The goals of each organization vary greatly depending on the product produced and the mission of the organization. There are certain business organizations that emphasize increasing sales, but some are emphasizing aspects of service to the community.

Organizations can be formal and informal. The organization is formal if the organization has a certain organizational structure and decision-making system in carrying out its activities. The organization is called informal if the organization is formed only in the form of a network (network) and social relations between one person and other people spontaneously. Membership in informal groups and organizations is voluntary and is determined by the members of informal organizations. The discussion in this paper is directed at formal organizations (Sampath, 1994: 30).

Managing an organization requires a way to achieve its goals. The way is called management. Management is a process carried out by the organization to plan, organize, lead, and control all the activities of organizational members by utilizing the various resources available to achieve organizational goals (Stoner et al., 1995: 7). Nearly a large number of good organizations have people with certain qualifications to carry out processes in management. These people are known as managers. So the manager is someone who is responsible for the implementation of efforts to achieve organizational goals. The manager also creates work rhythm and at the same time influences the behavior of members of

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the organization at work. Keep in mind that a good manager without the support of effective management will not succeed in carrying out the task of achieving organizational goals. Effective management is management that uses effective knowledge management as well.

Because it will examine management theory from the perspective of the philosophy of science, the following explains what philosophy of science is. Philosophy is science that always looks for the truth. Philosophy is also called the mother of knowledge. Much science is born of philosophy. Immanuel Kant defines philosophy as knowledge which is the basis of all knowledge in it. On the other hand, philosophy discusses everything that exists even that might exist both abstract and real including God, man and the universe. So to fully understand all philosophical problems is very difficult without mapping and maybe we can only master part of the broad scope of philosophy (Widyawati, 2013).

Then, knowledge is the perception of the subject (humans of objects (real and supernatural) or facts. Science itself is a collection of knowledge that is properly compiled with systems and methods to achieve goals that are universally applicable and can be tested or verified in truth. matters relating to problem solving, so philosophical knowledge studies the essence or nature of certain knowledge rationally (Basri, 2013).

The main branches or pillars of philosophy are ontology, epistemology, and axiology (Biyanto. 2015: 42). Ontology is a branch of science that discusses the nature of everything that exists. Epistemology is the branch of science explaining how to find knowledge and what it looks like. Then axiology is a branch of science that discusses values, which in philosophy refers to ethical and aesthetic issues.

Philosophy of science cannot be separated from the history of the development of science because the main foundation of the development of science is a philosophy consisting of ontology, epistemology, and axiology. If the process of human curiosity is knowledge in general that does not question the ins and outs of that knowledge, while science tries to test the truth of that knowledge more broadly and deeply. Science does not only talk about the nature (ontological) knowledge itself, but also questions about how (epistemological) knowledge can be processed into a knowledge that actually has a use value (axiological) for human life. These three foundations greatly influence the attitudes and positions of scientists in the development of science (Fachruddin, 2016: 35).

With this argument mentioned above, the author deems it necessary to examine the problem how philosophy of science as the basis and direction of the development of management theory in organizations, especially business. The discussion of the development of management science in organizations, especially business,

using the basis and direction of the philosophy of science is so that science can really contribute to sustaining business organizations to succeed. The success of a business organization in providing services to its customers can be observed through the performance produced by the organization. Organizational performance is measured by managerial performance and organizational performance. Managerial performance is a measure of the effectiveness and efficiency of a manager in in carrying out their duties so that organizational goals are achieved. Organizational performance measures the level of effectiveness and efficiency of the efforts made by the organization in achieving organizational goals. Peter F. Drucker, as a management expert, states that effectiveness is doing things right, while efficiency means doing things right (Harsono et al., 2010: 6).

2. Research Methods

Philosophy of science is a branch of philosophy that is very useful to explain what is the purpose of science for humans. Broadly discussing, the philosophy of science presents a fundamental reason why knowledge is needed for order in human life. The function of the philosophy of science is to provide a philosophical foundation in understanding the sharing of concepts and theories of scientific disciplines and equipping the ability to build scientific theories (Malian, 2010).

Based on the explanation above, in an effort to develop management theory for business organization, the problems are examined here is to use three pillars that support the existence of knowledge consisting of ontology, epistemology, and axiology (Wibisono, 2006: 13). *The first* issue to be studied is what is the nature of organizational management, which is a discussion of aspects of ontology. *The second* problem to be studied is what means, sources and procedures for developing business organizations so that their progress towards scientific knowledge. In other words this second discussion is a discussion of the development of business organizations from an epistemological perspective. Then, *the third*, or final, problem to be studied is values as benchmarks of scientific, ethical and moral truth as a normative basis in research and exploration, and the application of the science of business organization. In other words, the third is the research of the development of business organizations from an axiological perspective.

Ontology of science is what the nature of science is, what is the nature of truth and reality inherent in scientific knowledge, which is inseparable from philosophical perceptions about what and how (which) "exists" (*being, Sein, hezijn*). Monism is divided into: 1) idealism or spiritualism, materialism; 2) dualism; 3) pluralism and agnosticism, with various nuances, are ontological understandings that ultimately determine our respective "beliefs" opinions about what, how and where (which) "exists" as manifestations of the truth we seek (Wibisono,

2006: 14). Philosophical ontology discusses the nature of philosophy, namely what philosophical knowledge really is. The structure of philosophy is also discussed here. The definition of structure here is the branches of philosophy and content (ie theory) in each branch (Fachruddin, 2016). As explained in the first section of the definition of ontology in philosophy, ontology is the study or study of the nature of science that determines the meaning, structure and principles of science. Ontology occupies an important position because ontology occupies the basic foundation position of the science triangle and lies the "basic laws" of the world of science (Tafsir, 2004: 2).

The epistemology of science includes sources, media and procedures for using these media to achieve scientific knowledge. The difference regarding the choice of foundation determines the media we choose. Intellect (*verstand*), reason (*vernunft*), experience, or a combination of intellect and experience, intuition, are the media referred to in epistemology so that there are known epistemological models such as: rationalism, empiricism, criticism, or critical rationalism, positivism, phenomenology, structuralism and pragmatism with various variations. It also shows how the strengths and weaknesses of an epistemological model and its benchmarks for scientific knowledge, such as coherence theory, correspondence, pragmatism, and inter subjective theory (Wibisono, 2006: 14).

Axiology includes normative values in giving meaning to truth or reality as we see it in our lives exploring various regions, such as social, symbolic or physical-material areas. More than that, values are also demonstrated in our activities, both in conducting research and in applying science, with responsible academic freedom (Wibisono, 2006: 15). According to Jalaluddin and Idi (2007) that axiology is a field that investigates values. The values and implications of axiology in management science include also testing and integrating moral values, expressions of beauty, and social life in organizational life.

3. Results and Discussion

In this study, the analysis of management theory studies in business organizations as a philosophy of science starts from the perspective of ontology, epistemology, and finally the axiological perspective. The discussion of management theory with these three perspectives is intended to obtain a picture of whether management theory in business organizations can be expressed as a philosophy of sciences.

Ontology perspective on management theory. Ontology is the study of the nature of science that determines the meaning, structure, and principles of science. Ontology occupies an important position because ontology occupies the basic foundation position of the science triangle and lies the "basic laws" of the world of science. In exploring the theory of management in business organizations using the perspective of ontology,

the author will discuss what is the management process and what are the challenges of management. Management process is the process of planning, organizing, leading, and controlling various activities carried out by members of the organization by utilizing all resources owned by the organization (Mondy et al., 1993: 5-6). The final goal to be achieved with this management process is the achievement or fulfillment of the goals set. The following processes will be described to provide an overview of the meaning of each process in decision making.

The first process is planning. Planning is the process of setting goals, establishing strategies, and developing plans through appropriate and systematic methods to achieve a set of goals. Through this planning, the organization can arrange the procedure or the best method of carrying out activities. The resulting plan also serves as a guideline for the organization in allocating its resources, designing activities for its members, and designing control systems and corrective actions in the event of a deviation (Harsono et al., 2010: 141). *The second* management process is organizing. Organizing is the process of forming cooperation between two or more individuals in a particular structure to achieve a set of goals (Mondy et al., 1993: 7). Different objectives require different structures, so efforts are needed to arrange organizational structure through an organizational design.

The third management process is leading. Leading is the process of directing and influencing individual members of the organization both individually and in carrying out various activities to achieve a set of goals. In this process, managers motivate employees with the leadership model that they bring to the organization. By creating a conducive atmosphere and appropriate leadership patterns, managers can encourage employees to do the work with the best results (Harsono et al., 2010: 228).

The fourth (final) management process is controlling. Controlling is the process of guaranteeing or ensuring that the activities carried out in accordance with the plans, targets, and goals that have been set. Three important elements in control are performance standards, performance measurements that have been implemented, and comparison between real work and work standards. If there are deviations in the results of doing work, the manager takes corrective actions to reduce or eliminate these deviations (Robbins and Coulter, 2012: 9).

In larger scale organizations, the management process is increasingly complex. The complexity of the management process can be understood if the complexity is translated into a model. The model is a simple representation of objects, events, or relationships between individuals that are actually in the organization. The facts show that the four management processes (planning, organizing, leading, and controlling) do not run separately. However, at the

same time, all four are interrelated and related to one another, as shown in Figure 1 below (Robbins and Coulter, 2012: 9). Figure 1 shows the Interactive relationship model in the management process.
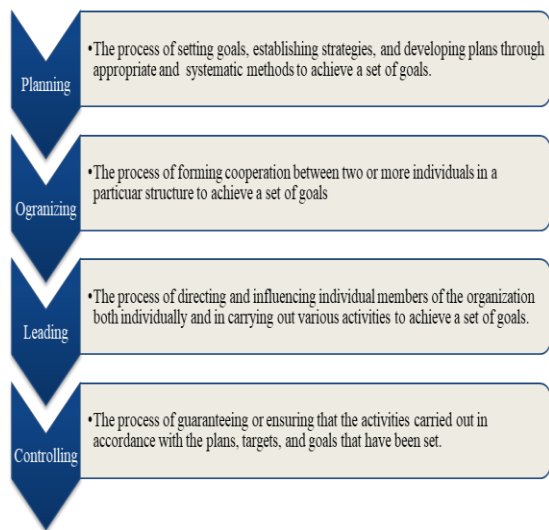

Figure 1. The stages in the management process
(Source: Robbins and Coulter (2012: 9))

Epistemological perspective on management theory.

According to Ritchie Calder the process of scientific activity begins when humans observe something. Thus it can be understood that human contact with the empirical world makes it think about natural realities (Bahrum, 2013). The epistemology study discusses how the process of gaining knowledge, what things must be considered in order to obtain true knowledge, what is called truth and what are the criteria.

In discussing the epistemological perspective of the development of management theory in business organizations, the author will discuss the method of decision making or problem solving used in management science and how the development of management theories. Decision making is the process of identifying and choosing a set of actions to solve a particular problem or take advantage of certain opportunities (Stoner et al., 1995: 239). Decision making is one of the important tasks of managers in managing organizations.

Decisions made by manager influence other decisions, both inside and outside the organization. As a result, there is a possibility of a conflict of interest between a manager and other managers, social organizations, and parties deemed to have power in competition. Why does this happen? A manager in making decisions is not in a separate and isolate space. Managers interact and communicate with people, so the decisions that are made will affect those people.

Decision making is closely related to the problem solution. Problems can be seen as opportunities to improve quality. This depends on the manager's view, whether to see dark sides or bright sides from the problem. For example to see bright sides, customer complaints due to the delay in ordering a product can be used as a basis for redesigning the production process and service to customers.

Opportunities occur when a situation offers certain business opportunities for the organization to achieve goals and objectives higher than those set by the organization. The identification of opportunities gives a higher meaning than merely solving problems. It is unfortunate, management studies conducted so far only focus on problem solving, but rarely focus on efforts to problem finding or opportunity finding. Peter F. Drucker further states that, "Settlement of problems is only useful to restore normal conditions, while progress must be started from the exploitation of various opportunities that exist." If decision making is associated with the exploitation of these opportunities, decision making will drive the effectiveness and progress of the organization in the future (Harsono et al., 2010: 134).

One method for exploiting opportunities is the dialectical inquiry method (often called the devil's advocate method). The dialectical inquiry method is arranged by the decision maker determining various alternative solutions to the problem and the underlying assumptions. By giving attention to things that contradict these assumptions, the decision maker compiles counter solutions based on those contradict assumptions. This method is useful for identifying alternatives and hidden opportunities in a problem.

In normal situation, generally the decision making process by managers is rational. There are six stages in the rational decision making process (Adams, et al. 2019: 30). *The first* stage in decision making is to examine the situation. Some activities related to this stage are that this problem needs to distinguish between symptoms and the real cause. The cause of a problem is often invisible, and managers are required to be able to use intuition to find out the cause. If the manager is too fixated on the symptoms, then the manager's performance will decline. *The second* stage is developing alternative solutions to the problem This stage is a complicated stage, especially for non-programmed decisions. Therefore, managers must postpone decision making until they get alternatives to solving problems. *The third* stage is evaluating alternatives. *The fourth* stage if choosing the best alternative. There are three fundamental questions that must be answered by managers before choosing the best alternative, namely: 1) What is the chosen alternative feasible to be implemented, 2) What is the chosen alternative can provide satisfaction, and 3) What are the consequences of the chosen alternative which must be accepted by members of the organization. *The fifth* stage is to realize alternatives. *The sixth* stage is

implementation. After the manager has determined the best alternative, all resources owned must be mobilized to support the implementation of these alternatives. The mobilization of these resources requires planning in the form of budgets and schedules. The next stage is the assignment of employees and the establishment of performance reporting procedures and corrective actions if necessary. So it can be concluded that the budgets, schedules, and performance reports are important elements in controlling organizational activities. From the first to the sixth (final) stage, the person or team that solves the problem or makes the decision requires relevant and current knowledge. If the knowledge at each stage is not owned by the person or team who solved the problem or made a decision, the decision or problem solving does not get the results as expected (Jetter, et al. 2006: 36-37).

The next epistemological perspective in management science is that we see how the development of science in management theory. Theory is a set of coherent assumptions used to explain the relationship among two or more events. John Clancy called the theory as' invisible powers "which are used to explain the events that exist in the world. There are four main characteristics of the theory, namely: 1) The theory focuses on things that are stable to understand the experiences that occur in our lives, 2) Theory enables us to communicate efficiently, 3) Theory makes everything possible, and 4) Theory can guide us in the process of learning about events that occur in the world (Harsono et al, 2010: 15).

In studying the development of management theory, we use an approach to how humans relate to other individuals at any given moment. Stages of development of management theory are presented as follows. *The first* stage is Scientific Management Theory. This theory is focused on efforts to increase work productivity. According to this theory, the only way to improve work performance is with work efficiency. Some figures who put forward the principles of scientific management theory include Frederick W. Taylor, Henry L. Gantt, and Frank and Lilian Gilbreth. *The second* stage is Classical Organizational Theory. This theory is also called administrative management theory. Classical organizational theory focuses on the need to create guidelines for managing complex organizations. Figures that contribute to this theory are Henry Fayol, Max Weber, Mary Parker Follet, and Chester I Barnard.

The third stage is Behavioral Management Theory. This theory arises because the classical organizational theory is not able to achieve production efficiency and harmonization of work. In reality, not every individual in the organization always wants to follow the pattern of behavior determined by the manager. This theory tries to explain management theory from the human side. Human relations describe the process of individual interaction in an organization, including the interaction between managers and subordinates. This theory tries to systematically link social and psychological factors to create effective human relationships in an organization. This theory was inspired by an experiment carried out at a company The Western Electric Company in 1924 to 1933. This research became known as Hawthorne Studies (Stoner et al., 1995: 42). *The fourth* stage is Management Science Theory. The emergence of this theory occurred at the beginning of the Second World War. At that time, Great Britain needed a technique that would be used to solve very complex problems. Great Britain then formed a group called the operation research team, and in fact this team managed to solve the problems that arise. Operation research techniques continue to be developed by other countries with the help of computers as a decision making tool by processing data with mathematical models. This problem solving method continues to develop. Until now, more and more people are using computer technology and mathematical models as a tool in planning and forecasting (Harsono et al., 2010: 24).

The fifth (final) stage is Organizational Environment Theory. This theory believes that the environment affects the organization. In looking at how the environment influences the organization, there are three approaches. The first is System Approach. Based on a systems approach, an organization is seen as a unit of interrelated parts. Based on this system theory, changes that occur in one part of the organization will affect other parts of the organization (Stoner et al., 1995: 47). The second is Contingency Approach. This approach is a view that links management techniques to the conditions or situations encountered. For different conditions and situations, how to see, respond, and resolve the management problem is also different. With this approach, a manager must be able to identify situations, conditions and times. These contingent techniques or approaches will give different results when used in different situations and conditions. The third is Dynamic Approach. This approach sees every individual and organization always facing and responding to change towards improvement. System boundaries start to become unclear. It is possible for every organization to operate beyond national and cultural boundaries. Technology that continues to evolve and businesses that continue to globalize allows each organization to operate on a broader and larger scale. Organizations that want to survive should start thinking about adjusting to business developments, not only on a national scale but more international or global. Today, in the global environment, globalized business organizations are becoming more vulnerable because the existing conditions must collaborate with other global business organizations. The cooperation continues to increase and is based on mutual benefit. If there is a global business organization

that is having problems, the problem will have an impact on other business organizations (Lane et al., 2004: 5).

After discussing the development of management theory, the next business organization needs to develop knowledge management. Knowledge management involves rethinking how knowledge management can be owned by employees and other members of the organization. The problem is how to give employees respect, mentors, and knowledge so that what they do for the organization has added value through sharing knowledge with them. The development of knowledge management is intended so that members of the organization in carrying out its management functions are based on renewable knowledge. In many cases, there are basic principles of knowledge management that sometimes conflict with human nature. Employees, as well as managers, are naturally reluctant to change. They are reluctant to let go of comfort in the current position. The reason is the sense of comfort in the position is not easy to get it. Reluctant to let go of their position can be seen, for example, they do not want to share information and knowledge. At the university, there is an atmosphere, academic climate and a willingness to share excellent knowledge. The academic atmosphere and climate can be an example so that members of the organization can carry out activities based on principles of knowledge management. These principles can come in the form of all members of knowledgeable organizations, sharing knowledge, and always improving the way they work and how to make decisions with renewable knowledge (Bergeron, 2003: 34) and (Desouza and Awazu, 2005: 5).

Axiological perspective on management theory.

In studying the development of management theory in business organizations with an axiological perspective, the following will be discussed first regarding ethics and social responsibility that managers must have in applying the science of business organization management. The next discussion is in the framework of humanizing humans. In this framework, the management of business organizations carries out a motivating and leadership process for existing human resources. The third or final discussion is about quality and total quality management (TQM), which is a value concept in management science to be able to satisfy the needs of all customers or stakeholders.

In the following, *the first* discussion of axiological perspective is ethics and social responsibility. Along with advances in the fields of science and technology, economics, politics and culture, business activities continue to advance rapidly. Business activities increasingly have a central role in the development and progress of world civilization, including in Indonesia. In a situation like this, people are also increasingly aware of the importance of business activities for the progress and development of a nation. However, the public is also increasingly critical and concerned about various things that are considered leading to irresponsible and unethical business practices.

In Indonesia, it is now also increasingly recognized by business circles that various social problems, internal and external, need to get serious attention by owners and managers of business. Because if this problem is ignored, then it will harm the company concerned. This social responsiveness study is related to the company's attitude and response to various social problems, there are two approaches to the analysis. *First* relates to the ways companies respond to social problems. Second relates to the analysis of the factors that influence the occurrence of social problems. From these two approaches, Robert Ackerman argues that the company's main responsibility is to respond to these social problems optimally and appropriately (Harsono et al., 2002: 94).

In 1979, Archi Carroll combined philosophical ideas from social responsibility and social responsiveness into an integral concept called corporate social performance. According to this concept, the scope of social responsibility is formed with applicable economic, legal and ethical principles. These principles create a "social contract" between the company and the community that encourages companies to act as institutions that have commitment and moral concern in every action. At the micro level of the organization, managers try to implement the principles of social contracts in their decision making and policies. The implementations carried out are those that are carried out reactively, defensively, accommodating, and proactively (Harsono et al., 2010: 87).

Ethics is the study of the influence of business decisions on others. This means it also includes the study of people's rights and obligations, the moral rules. People apply all that in decision making and in the form of human relations. The application of ethics in business is done when the business interacts with all stakeholders and when making policies, both with internal and external parties.

Conscious or unconscious ethical reasons are often related in everyday life. Ethical language terms include: values, rights, obligations, rules, relationships, and general morality (Stoner et al., 1995: 110). Value is a relatively fixed desire to look good. The company has a value, for example about the size of the company, profitability, or the quality of the product produced. Right is a claim that gives a person space to act. In informal terms, this space is autonomy or freedom. Rights are not absolute. Most people agree that the space for each individual is limited by the rights of others. Usually, we have the right to speak freely about what we think until it can ultimately hurt others. Furthermore, rights relate to obligations. When

someone has rights, other people have an obligation to respect them. For example, the government has the right to collect taxes from companies, and companies must pay taxes to the government. Moral rules provide instructions for dealing with situations when there are differences in interests. Moral rules which are rules of behavior are often internalized as values

Everyone is related to each other. This relationship occurs because people need each other to achieve common goals, including child relationships with parents to the relationship between managers and employees. Relationships are broad aspects of moral life. In dealing with people, business organizations must pay attention to generally accepted morality. General morality is the moral rules that control the problems that arise in ethics. These are rules of life and can be used to understand managerial issues. These principles of morality are keeping promises, no anger, mutually beneficial relationship, respecting people, and respecting rights belongs to another person or party (Harsono et al., 2002: 95).

The second discussion on axiological perspective is the development of the work environment. In order to humanize people in business organizations, managers must: 1) make sure employees who become subordinates know the actual work environment in the company, 2) motivate them, and 3) lead them too. Without motivating and directing them, business objectives are difficult to achieve effectively and efficiently (Straab and Attner, 1994: 260)

Management philosophy is the foundation that creates the work environment or the behavior of managers about work and the people who do work. The management philosophy adopted influences managers in leading and how to motivate. For example, theory X and theory Y developed by Douglas McGregor are the two assumptions of managers towards humans (Pinder, 1984: 30). Theory X is a management philosophy that has a negative view of subordinates and their attitude at work. This philosophy assumes that employees are lazy, have no motivation, and need intensive supervision in order to work well. Therefore managers believe that to achieve efficiency and effectiveness of employee work needs to be monitored, use negative motivation, and avoid delegation in making decisions (Harsono et al., 2002: 217).

Theory Y, on the other hand, is a philosophy that holds a positive attitude towards subordinates and their attitude at work. Managers assume that employees are able to lead themselves. They can motivate themselves, be creative and be responsible. The result of this belief causes managers to want to delegate decision making to employees and work with them as partners to achieve organizational goals (Straub and Attner, 1994:.260; Mondy et al., 1993: 295)

The third discussion on this perspective is leadership. Managers build a supportive work environment to motivate employees with leadership. Leadership is the process of influencing each individual and group to set and achieve goals (Yukl, 1989: 4). Leadership consists of three variables: the leader, who is led, and the environment in which leadership is applied. The scope of leadership is very broad. When a business organization wants to find people or employees, the leader must be able to estimate what kind of employee should be employed. After there are employees, the employees are employed and maintained well. In addition, they were given motivation, guidance and development. If they have difficulties or problems, they are well guided (Nelson and Economy, 2008: 62).

The fourth or final discussion on axiological perspective is quality and total quality management (TQM). Quality is a complex concept that has become interesting in management theory (Mondy et al., 1993: 528). The quality revolution is really happening in business today. Attention to this quality has historically been entrenched, including attention to say that every business today wants to have quality products and services. They want products and services that are better than average.

Lloyd and Clare Crawford-Mason who have interviewed many writers about quality. They concluded that the definition of quality is not uniform: "no two people have been interviewed by those who agree on how that quality is understood." They quoted the opinion of John Stewart, a consultant at McKinsey, who said, "There is no single definition of quality that is most appropriate." Quality is an appreciation of feelings that show that something is better than others. The notion of quality always changes in human life and change from generation to generation Quality varies according to various aspects of human activity, but nowadays, quality shows focusing on products that produce better services and services at a far more competitive price. Quality must begin with "doing things right" not on making error corrections. Lately we know what is called total quality management (TQM). TQM is an organizational culture that has a commitment to satisfy all stakeholders through the use of integrated systems. Furthermore, TQM includes continuous improvement in the organization to produce better quality products and services according to all stakeholders (Harsono et al., 2010: 128).

Management theory as philosophy of science. Judging from the studies above, management theory is built based on three branches, namely the branch of otology, epistemology, and axiology. All three branches are truly owned by management science. Based on the pyramid of science as Figure 2, philosophy of science is based on the pillars of ontology, epistemology, and axiology. Because management theory has the perspective of ontology, epistemology, and axiology,

management theory is really a philosophy of science. Therefore, management science needs to be developed to be implemented in business organizations. After that, the science of management is very reasonable to be used as a basis for developing technology and technical matters.
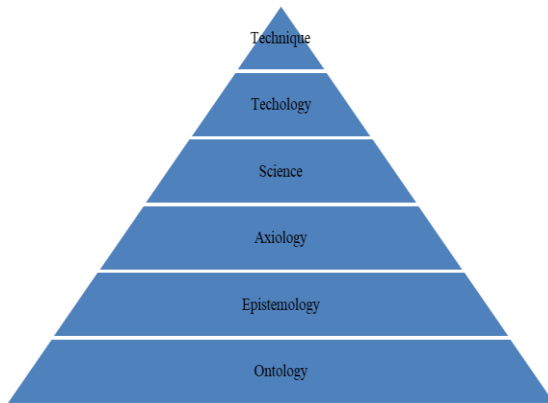

Figure 2. The Pyramid of Science
(Source: Fachruddin (2016: 88))

Based on the results of the study of the philosophy of science, with the perspective of ontology, epistemology, and axiology, there are several reasons for the development of management theori in business organizations to be continued and developed. Further considerations, management science continues to be developed to advance business organizations are as follows. *First*, business organizations contribute to today's human standard of living. With organizations, humans can meet their needs and improve their lives. *Second*, through business organizations, human can achieve the desired goals. New products and processes emerge as creative forces derived from the interaction between people in the organization. Whatever the consequences, business organizations help people meet their needs. *Third*, organizations help someone to connect with the past. Every organization has a history, and that history helps people remember the bitter and sweet times they lived their lives. Even an organization can be a person's pride because of the past people spent in the organization. *Fourth,* or finally, business organizations must be well managed so that the organization can achieve its goals, because many parties have an interest in the success of the organization.

4. Conclusion

Based on the philosophy of science, the development of management theory in business organizations uses the perspective of ontology, epistemology, and axiology. In the perspective of ontology, the essence of management science in business organizations is the science that offers a management process so that business organizations can achieve their goals. The management process is always associated with the process of planning, organizing, leading, and controlling various activities carried out by members of the organization by utilizing all resources owned by the organization (Mondy et al., 1993: 5-6) The final goal to be achieved by the process this management is the achievement or fulfillment of goals that have been set

With an epistemological perspective, management theory in business organizations introduces methods or ways of making decisions or solving problems that can be used by managers in running business organizations. In addition, management science introduces various management theories to be practiced in business activities.

In an axiological perspective, ethical values and social responsibility must be a serious concern in applying management theory to business organizations. Critical attitude of the community, shows that the community expects a healthy and profitable business activity. Business orientation is not only looking for profit but also give attention to the norms prevailing in society and give attention to the interests and welfare of all parties. As a consequence, business and government need to wisely respond to the expectations of the community so that business continuity is maintained and continues to grow.

In order to humanize human beings, the management of a business organization carries out a motivating and leadership process for the human resources within the business organization. Management programs and systems are more effective if they are mutually compatible and appropriate for the situation (Yukl, 2008).Therefore, the manager must make the employee know the actual work environment in the company, motivate it, and lead it. Through an axiological perspective, management science has benchmarks, attitudes and desires that the goods and services produced must be of high quality. Many new concepts and paradigms in an effort to produce quality goods or services, one of which is Total Quality Management (TQM), which is a concept of value to be able to satisfy the needs of all customers or stakeholders.

Based on the results of the above studies, the authors provide recommendations to researchers in the field of management to continue to carry out and develop theories and applications of management science in business organizations. The next recommendation, business owners and managers continue to utilize research results both in theory and the application of management science in business organizations. The recommendations are intended so that business organizations increasingly play a role in improving the economic progress of society, culture and humanity's humanity, and the welfare of a country and nation

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