

Hierarchy of Knowledge and Values in Management: A Qualitative Study Based on Literature Review

Yusuf Amri Amrullah^{1*}, Dinda Sukmaningrum², Arika Mimanda³

Universitas Islam Indonesia, Indonesia

*Corresponding Author: 24935015@students.uii.ac.id

ABSTRACT

This article deeply examines the hierarchical structure of science and values that underlie management practices within the framework of modern capitalism, using a qualitative approach based on a comprehensive literature study. This research aims to understand how management science is organized in a scientific hierarchy that is not only technical-instrumental, but also loaded with ideological and normative content. The main focus is directed at revealing the main principles and rules underlying managerial practices in the capitalist system, as well as how certain values, such as efficiency, profitability, and economic growth are used as the main basis for decision making. Data were collected from various secondary sources such as academic journals, management theory textbooks, and relevant documents related to political-economic thought and philosophy of science. The analysis was conducted by identifying patterns of thought and dominant narratives that shape the construction of management science in the context of capitalism. By adopting a theoretical framework that covers the dimensions of ontology (the nature of organizational and market reality), epistemology (the way managerial knowledge is acquired), and axiology (the values underlying managerial actions), this research reveals the social and ideological constructions that shape management practices under the global capitalism system. The main findings suggest a fundamental tension between the orientation towards economic efficiency and the demands of social ethics and environmental sustainability. Therefore, this article emphasizes the importance of developing management theory and practice that is more adaptive to contemporary social, ecological and economic dynamics. This research is expected to contribute to the strengthening of the theoretical foundation of management science and offer an alternative approach that is more ethical, inclusive, and sustainable in answering management challenges in the modern era.

Keywords: Capitalist Management, Hierarchy of Knowledge, Efficiency, Sustainability

DOI: <https://doi.org/10.64458/asbnc.v2.97>

INTRODUCTION

Management as a scientific discipline has evolved rapidly along with changes in economic and social dynamics. In the context of capitalism, management not only serves as a tool to achieve efficiency and profitability, but also plays an important role in shaping organizational structures and policies that affect social life. According to Drucker (1999), management is the art and science of achieving desired results through other people. In this case, an understanding of the hierarchy of sciences in management

becomes very important to understand how managerial decisions are taken and how certain values are integrated into managerial practices. On the other hand, criticisms of capitalism have also emerged, especially in the context of how social and ethical values are often overlooked in favor of efficiency and profitability. This raises questions about how the hierarchical structure of knowledge and values in management interact and influence managerial practices.

The knowledge and value hierarchies are two interrelated elements that influence managerial success. The knowledge hierarchy encompasses the various levels of knowledge and understanding required to make effective decisions, while values reflect the principles and norms that guide individual and organizational behavior. According to Drucker (2007), "effective management is about doing the right thing, while efficiency is about doing the right thing." This shows the importance of a deep understanding of both aspects in management practice.

This paper tries to explore the scientific roots and values that underlie management in capitalist organizations through the hierarchy of science approach: ontology, epistemology, axiology. In the formulation of the problem, this research focuses on how the hierarchy of knowledge and values interact with each other in the context of management. The problem formulation in this research focuses on three main questions:

- a. How is the hierarchical structure of knowledge in capitalist management conceived and developed?
- b. What are the main principles and rules of capitalist management according to academic literature?
- c. What values are embodied in capitalist management practices, and how do they influence organizational policies?

The purpose of this research is to explore and analyze the hierarchy of knowledge in capitalist management, identify the underlying principles and rules, and understand the values integrated in management practices. By understanding this, it is hoped to provide deeper insights into the challenges and opportunities in contemporary management, and encourage the development of more sustainable and ethical management practices.

LITERATURE REVIEW

The theoretical framework used in this study draws on basic concepts in management, including organization theory, decision theory, and value theory. According to Weber (1947), "effective organizations require clear structures and strong values." In this context, the hierarchy of knowledge can be viewed as a knowledge structure that supports decision-making, while values serve as a moral guide that influences managers' behavior. In addition, the interaction between knowledge and values in management is further complicated by the evolving expectations of stakeholders, who increasingly demand ethical accountability and social responsibility from organizations (Blumer, 1986). This shift requires managers to not only have a strong understanding of technical knowledge but also to foster a strong ethical framework that is aligned with the values of diverse stakeholder groups. For example, the failure of companies such as Enron illustrates the disastrous consequences of prioritizing profits over ethical considerations, highlighting the need for a balanced approach that integrates moral values into the decision-making process (Iskandar et al., 2022). As organizations navigate these complexities, the implementation of ethical leadership and a commitment to transparency can serve as important mechanisms for fostering trust and credibility, which ultimately enhance organizational resilience in a competitive landscape (White & Cooper, 2022).

A. Hierarchy of Science

1. **Ontology:** In the context of capitalism, organizational and market realities are constructed through interactions between various actors, including capital owners, managers, and workers. According to Weber (1978), the social structures formed in organizations reflect the hierarchies of power and

influence that exist within them. This implies that understanding the hierarchy of knowledge in management must consider the broader social and economic context.

2. **Epistemology:** The validity of management knowledge in capitalist systems is often measured by performance and efficiency outcomes. Friedman (1980) argues that the primary goal of the firm is to increase profit, which becomes the benchmark for assessing managerial success. However, this also raises the question of how such knowledge can be ethically accounted for.
3. **Axiology:** The values emphasized in capitalist management include efficiency, profitability and sustainability. According to Boltanski & Chiapello (2005), there is a contradiction between the need for efficiency and social responsibility, which is often overlooked in managerial practices.

B. Principles and Rules of Capitalist Management

1. **Instrumental Rationality:** Instrumental rationality is a key foundation in the capitalist management paradigm, where decision-making is calculative, data-driven, and geared entirely towards achieving organizational goals. This approach not only reflects efficiency, but also creates a technocratic logic that ignores the substantive dimensions of human action. As Max Weber asserted, instrumental rationality gave birth to the “iron cage” of modern bureaucracy that confines humanistic values within a procedural and objective framework. This view is reinforced by Mintzberg (1994), who acknowledges the importance of managers' ability to optimize resources, but also criticizes the tendency of modern management to rely too much on formal systems and analytics, while ignoring intuition, experience, and contextual wisdom.
2. **Resource Optimization:** In a capitalist system, resource optimization is not just a strategy, but a structural imperative for organizations to survive market competition. This practice includes operational efficiency, lean management, and the use of technology to minimize waste. However, this approach often implies a reduction in manpower, intensification of workloads, and a quest for efficiency without considering the social and ecological impacts. In many cases, resource optimization tends to prioritize short-term outcomes over sustainable development. This suggests a shift in values away from sustainability and collective well-being towards a purely economistic logic of capital accumulation.
3. **Performance-based Accountability:** Accountability in capitalist management is usually closely linked to the achievement of targets and quantitative performance indicators such as KPIs (Key Performance Indicators), ROI (Return on Investment), and NPV (Net Present Value). While this approach provides an objective measuring tool to assess managerial success, it also leads to value reductionism: anything that cannot be directly measured tends to be put aside. This creates a hyper-competitive, results-driven culture that can neglect process aspects, the quality of human relationships, and ethical responsibilities. In this context, ethics and social responsibility are often perceived as external factors or even obstacles to efficiency, when they should be at the core of leadership and decision-making.

C. Capitalist Management Values

1. **Individualism, Competition, and Meritocracy** The values of individualism, competition and meritocracy are the ideological pillars of modern capitalist management. Individualism places employees as rational agents who are personally responsible for their success or failure, while competition is considered the main mechanism for improving performance and innovation. Meritocracy, in this context, is assumed to provide room for anyone to succeed “on merit”.
2. **Capital Accumulation and Expansion:** The ultimate goal of capitalist firms is capital accumulation, i.e. the continual increase of capital owned, whether in the form of assets, profits, or market share. This value drives strategies of expansion, acquisition, cost efficiency and technological innovation. However, this focus on expansion often ignores or even causes serious social and ecological

consequences-such as the neglect of labor rights, environmental destruction, and market dominance by a handful of large corporations.

3. This accumulation of value also creates a spiral of inequality: large corporations get stronger and more consolidated, while local communities and small businesses often fall victim to the logic of expansion. Thus, growth in the capitalist system is not just a matter of numbers, but a process of economic value expansion at the expense of social values.
4. Contradictions between Efficiency and Social Ethics: One of the most obvious dilemmas in capitalist management is the conflict between economic rationality (efficiency) and social ethics. Efficiency-oriented managerial decisions-such as reducing labor costs through outsourcing or automation-often run counter to principles of distributive justice, human dignity and social responsibility.

This tension is not just a practical problem, but an axiological one: capitalist systems promote values that inherently place ethics as subordinate to profit. In such a system, ethical actions often arise not out of moral imperative, but as an image strategy (such as cosmetic CSR). Managers are thus faced with a double dilemma: meeting the demands of short-term profitability, while maintaining the organization's ethical legitimacy in the long run. The data sources for this study include scholarly articles, management theory books, and critiques of capitalism published between 1980 and 2023. The articles selected cover a wide range of perspectives and approaches in management, thus providing a comprehensive overview of the topic under study. Some of the sources used include the works of Drucker (2007), Weber (1947), and Marx (1867), which provide a strong theoretical foundation for this analysis.

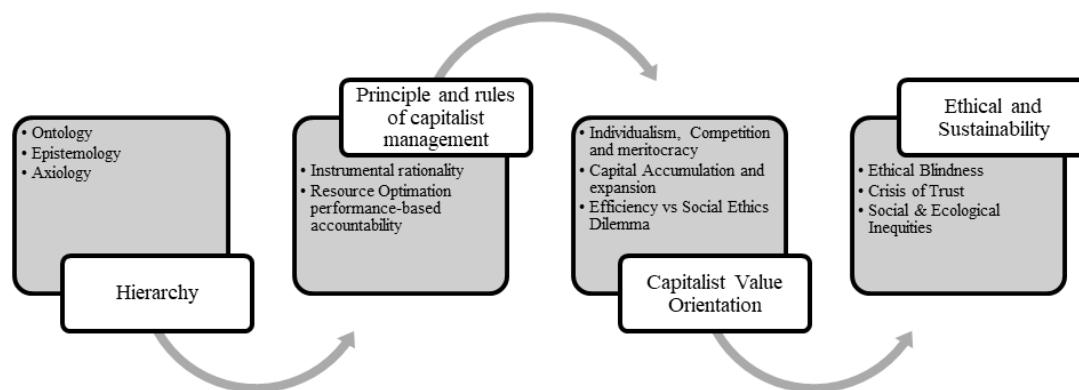


Figure 1. Hierarchy Of Knowledge and Value Management

METHOD

This research used a qualitative method with a literature review approach. A literature review was conducted to gather information from various relevant sources, including scientific articles, management theory books, and critics of capitalism (Karl Marx, Max Weber, Milton Friedman, Drucker, and others) published between 1980-2023. This approach allowed the researcher to understand different perspectives and identify emerging patterns in the relationship between the hierarchy of science and values in management. Data analysis was done thematically based on the Miles & Huberman approach (data reduction, presentation, conclusion drawing).

Data analysis in this study was conducted thematically based on the Miles & Huberman (1994) framework, which consists of three main stages: data reduction, data presentation, and conclusion drawing/verification. This approach was used because of its ability to handle qualitative data systematically and reflectively, while allowing in-depth interpretation of complex social phenomena, such as values and principles in capitalist management. This systematic approach not only improves the

accuracy of research but also contributes to a deeper understanding of how values influence management practices.

1. **Data Reduction:** At the initial stage, the researcher conducted a process of filtering, sorting, and focusing data from various literature sources—including scientific journals, management theory books, policy reports, and publications of international organizations. Information that was irrelevant or did not support the focus of the study was eliminated, while data that showed indications of dominant values, managerial principles, and contradictory dynamics in the practice of capitalism were thematically categorized and coded. This reduction is not just a simplification of the data, but also an initial interpretative process to begin constructing meaning.
2. **Data Display:** After the data was summarized and categorized, the researcher compiled a visual display in the form of a hierarchical relationship table of knowledge and values, a flowchart of capitalist managerial logic, and a matrix of value conflicts between efficiency and social ethics. This data presentation aims to facilitate the identification of patterns and relationships between concept elements, so that theoretical understanding and praxis can be linked more clearly. Visualization also serves as a reflection tool for researchers to ensure thematic consistency between findings.
3. **Conclusion Drawing and Verification:** At this stage, the researcher extracts the main thematic patterns that emerge from the data, such as the dominance of the values of individualism and efficiency, and the tension between capital accumulation and social responsibility. Conclusions were not drawn instantly, but rather through an iterative and reflective process, continuously checking the validity of meaning against relevant literature and critical theories used as an interpretive framework. Verification is done through source triangulation and clarification of possible analytical biases, so that the results can be scientifically accounted for.

As organizations grapple with the imperative of integrating ethical considerations into their management practices, the role of stakeholder engagement becomes increasingly critical. The shift towards a stakeholder-centric model not only aligns with contemporary demands for corporate social responsibility but also challenges the traditional profit-maximization paradigm by emphasizing the interconnectedness of business and society. This approach invites managers to expand their understanding beyond mere financial metrics, fostering a culture that values transparency, inclusivity, and social impact alongside economic performance. For instance, firms that actively involve stakeholders in decision-making processes can cultivate trust and loyalty, which are essential for long-term sustainability and resilience in an ever-evolving market landscape (Rubino et al., 2023). Moreover, this transition necessitates a re-evaluation of performance indicators, advocating for a more holistic assessment that encompasses social and environmental outcomes, thereby addressing the contradictions between efficiency and social ethics that have historically plagued capitalist management (Sumarno et al., 2023).

RESULTS

This research critically interrogates the architecture of capitalist management by employing the triadic framework of the hierarchy of scientific inquiry—ontology, epistemology, and axiology—to unravel the underlying logics that shape, legitimize, and sustain managerial practices within the capitalist paradigm. At the ontological level, the study explores how managerial discourse constructs and naturalizes the very nature of organizational reality. Within this worldview, organizations are conceptualized as instrumental-rational systems, governed by order, predictability, and control. Markets are framed as self-regulating mechanisms, while human behavior is modeled in utilitarian terms—as calculative, goal-oriented, and efficiency-driven. This ontological stance implies a mechanistic metaphysics: the organization becomes a machine-like entity, where each individual is a functional component subordinated to the imperatives of profit maximization, capital accumulation, and continuous growth.

Such a worldview does not merely describe reality but produces it, by guiding the development of managerial tools, performance metrics, and decision-making models that reinforce this reductive conception. The complexity of human motivations, the relational fabric of organizational life, and the moral dimensions of management are often marginalized or rendered invisible. Consequently, this ontological foundation sets the stage for an epistemology that privileges quantification, and for an axiology that elevates economic gain over social or ethical concerns. The results show that there is a complex relationship between the hierarchy of knowledge, the principles of management, and the values underlying capitalist management practices. The following table shows the relationship between the hierarchy of knowledge and values in management:

Table 1. Relationship between the Hierarchy of Knowledge and Values in Management

Aspects	Hierarchy of Science	Value
Definition	Levels of knowledge and skills in management practice that include ontology, epistemology, and axiology.	Moral and ethical principles that underlie organizational decisions and actions
Influence	Influences how to think, analyze, and make managerial decisions	Guiding managers' behavior in the face of dilemmas and social responsibility
Case Example	Use of data analytics and decision models in strategic planning	Implementation of sustainability, social justice, and work ethics values in organizational policies
Supporting Theory	Decision theory, management epistemology, instrumental rationality	Ethical theory in management, corporate social responsibility (CSR), stakeholder theory
Implications	Improve knowledge-based managerial effectiveness and efficiency	Creating a positive, value-oriented and socially responsible organizational culture

The table above illustrates the dynamic interplay between the hierarchy of scientific knowledge—comprising ontology, epistemology, and axiology—and the value systems that shape managerial practice. This interaction is not linear but dialectical: knowledge informs value implementation, while values, in turn, direct the ethical boundaries of knowledge application. At a practical level, the integration of data analytics and decision models in strategic management exemplifies how epistemological frameworks—such as decision theory and instrumental rationality—enhance organizational effectiveness by promoting evidence-based decision-making. This reflects a technocratic orientation, where knowledge is operationalized to optimize outcomes, often with efficiency and control as the primary goals.

Conversely, the institutionalization of sustainability values, social justice, and ethical labor practices in corporate policy illustrates how axiological commitments can reshape managerial logic. Here, normative considerations such as fairness, stakeholder inclusion, and long-term ecological responsibility move beyond peripheral concerns and become integral to strategic thinking. This aligns with theories such as CSR (Corporate Social Responsibility) and stakeholder theory, which argue for a broader moral horizon in managerial action.

As Drucker (2007) contends, effective management is not only about doing things right but also about doing the right things. This requires bridging the often-separated domains of technical rationality and moral reasoning. In this regard, the hierarchy of knowledge provides the scaffolding for analytical rigor, while values anchor the ethical purpose of management. When these dimensions are integrated, organizations are better equipped to navigate the complex tensions between efficiency and responsibility, ultimately cultivating a culture that is both strategically sound and morally resilient. Through the literature review, five main findings were found that reflect the knowledge and value structures in capitalist management.

1. Ontology of Capitalist Management: Economic Rationality as Basic Reality

Ontology in capitalist management is based on the assumption that organizational reality is shaped by economic and market logic. Humans are positioned as rational agents (*homo economicus*) who act based on self-interest and profit-loss calculations. Organizations are seen as instruments to achieve maximum efficiency and profitability. This ontological literacy directly influences the way organizations design their structures, processes and strategic goals. This is reflected in the utilization of technology, ROI-based performance measurement, and efficiency-based layoffs.

2. Epistemology: Managerial Knowledge Based on Positivism and Control

Epistemologically, capitalist management relies on a positivistic approach: knowledge is considered valid if it can be measured, observed and replicated. Theories such as Taylorism (scientific management) and quantitative models of decision-making are examples of the application of this paradigm. In practice, this is seen in the use of data analytics, key performance indicators (KPIs), and results-based management systems. Practical knowledge (know-how) is valued more highly than normative or philosophical knowledge, thus removing ethical values from the center of managerial discourse.

3. Axiology: The Value of Efficiency, Competition, and Capital Accumulation

The axiology of capitalist management is heavily influenced by liberal economic values, such as efficiency, productivity, competition and capital accumulation. Strategic decisions often do not consider moral or social aspects directly unless they impact reputation and profitability. However, in late capitalism, "new values" such as corporate social responsibility (CSR), sustainability and business ethics are emerging. However, many of these are cosmetic (greenwashing) and have not changed the basic value framework of management.

4. Principles and Rules: The Dominance of Instrumental Rationality and Market Mechanisms

Capitalist management is built on principles such as instrumental rationality, work specialization, and resource optimization. Principles such as strategic planning, risk mapping, and operational efficiency are systematically practiced. The market mechanism acts as the invisible hand, while organizational success is measured through market growth, share value increase, and capital expansion.

5. Value Contradictions and New Ethical Demands

The literature review also revealed a contradiction between capitalist values and contemporary ethical demands. On the one hand, management is required to generate profit and expansion; on the other hand, society and stakeholders demand social responsibility, distributional justice and ecological sustainability. This is what Boltanski and Chiapello (2005) call the "artistic critique and social critique of capitalism", prompting organizations to adopt "value-driven management" albeit often superficially.

The following section presents a critical exploration of the inherent value contradictions embedded within capitalist management practices. While capitalist management often proclaims neutrality, objectivity, and universality in its application of principles such as efficiency, productivity, and profitability, these principles are frequently in tension with broader ethical, social, and ecological values. At the heart of these contradictions lies a fundamental clash between instrumental rationality—which prioritizes calculable outcomes and cost-benefit logic—and substantive rationality, which considers the moral, cultural, and long-term implications of managerial decisions.

Table 2. Contradiction of Values in Capitalist Management Practices

Aspects	Capitalist Value	Contemporary Ethical Demands
Organization Objectives	Profit maximization and growth	Profit, environmental and social balance
Strategy	Cost efficiency and market expansion	Business ethics, sustainability
Relationship with Workers	Productivity and work flexibility	Welfare, workers' rights

Aspects	Capitalist Value	Contemporary Ethical Demands
Decision Making	Instrumental and data-driven rationality	Value, empathy and social impact

Philosophically, the framework of capitalist management science reflects the legacy of modernism, which emphasizes objectivity, efficiency and control. However, in this postmodern era, this approach is being questioned. There is an urgent need for value reorientation, given capitalism's destructive impact on the environment, social inequality, and the crisis of corporate ethics. This opens up space for the development of alternative management models, such as values-based management, humanistic, or even post-capitalistic management that places humans and ecology at the center of decision-making.

Various studies in the fields of critical management studies, organizational theory, and political economy have emphasized the intricate and often contradictory interplay between the hierarchy of knowledge in management science, the normative principles guiding managerial action, and the core values institutionalized within capitalist systems. This relationship is far from linear or harmonious; rather, it is characterized by layered tensions and interdependencies that shape both the ideology and practice of contemporary management. The epistemological dominance of positivism and instrumental rationality in management theory, for example, not only influences the types of knowledge deemed legitimate but also informs the strategic choices and governance models adopted by organizations. These epistemological foundations often privilege metrics, quantification, and optimization, thereby reinforcing principles such as performance maximization, risk minimization, and control.

At the same time, the values embedded in capitalist logic—such as competition, profitability, and efficiency—exert a strong influence on organizational behavior, often eclipsing alternative values like equity, participation, and ecological sustainability. Organizational policies, therefore, become vehicles through which these dominant values are operationalized and reinforced. Whether through cost-cutting measures, performance-based reward systems, or aggressive market expansion strategies, the values prioritized at the epistemic and ideological level are translated into concrete managerial practices. Other studies have also shown that there is a complex relationship between the hierarchy of knowledge, the principles of management, and the values underlying capitalist management practices. The following table shows the relationship between the values prioritized in capitalist management and the organizational policies adopted:

Table 3. Linkage of Capitalist Management Values with Organizational Policies

Key Values	Organization Policy
Efficiency	Operating cost reduction, process optimization, production automation
Profitability	Investment in new technology, market expansion, product diversification
Individualism	Performance-based reward systems, individual incentives, meritocracy
Competition	Rank-based bonus scheme, performance-based recruitment
Accumulated Capital	Reinvestment of profits, acquisition of other companies, aggressive growth strategy
Social Ethics	Corporate social responsibility (CSR) programs, donations, community engagement
Sustainability	Green policies, energy efficiency, ESG (Environmental, Social, Governance) reporting

This table presents key organizational values along with the specific policies or actions companies adopt to reflect these values in their daily operations and long-term strategies.

- **Efficiency:** Organizations focus on lowering operating costs by improving how work processes run. They optimize workflows and introduce automation in production to increase output while minimizing time and resources used.
- **Profitability:** To boost profits, companies invest in advanced technology that improves products or services. They also aim to grow by entering new markets and diversifying their product lines to attract different customer groups.
- **Individualism:** Companies encourage personal achievement through systems that reward employees based on their performance. This includes offering individual bonuses and promoting meritocracy, where advancement depends on merit and results rather than seniority or favoritism.
- **Competition:** To maintain a competitive workforce, organizations implement bonus schemes based on employee ranking and recruit new hires by carefully evaluating candidates' past performance and potential.
- **Accumulated Capital:** Businesses reinvest earnings back into the company to fund growth. They may acquire other companies to expand quickly and follow aggressive strategies to increase their capital base and market presence.
- **Social Ethics:** Companies engage in corporate social responsibility (CSR) activities such as charitable donations, supporting community projects, and maintaining ethical standards to contribute positively to society.
- **Sustainability:** Organizations adopt environmentally friendly policies, improve energy efficiency, and report on Environmental, Social, and Governance (ESG) criteria to ensure sustainable and responsible business practices that protect the environment and support social wellbeing.

The main results of this research show that there is a complex and interdependent relationship between the hierarchy of knowledge, management principles, and values in capitalist management practices. The ontological structure of organizations within the framework of capitalism is often determined by power relations and economic goals, while the epistemological approach is based on positivism and quantitative performance measurement. On the axiological side, efficiency and profitability become the dominant values that direct organizational practices. The following table summarizes the main findings of this study:

Table 4. Summary of Key Research Findings

Aspects	Key Findings
Hierarchy of Science	Organizational ontology is shaped by power structures; epistemology emphasizes positivistic approaches; axiology focuses on efficiency.
Management Principles	Instrumental rationality and performance-based accountability dominate; resource optimization becomes key in organizational competition.
Values	Individualism and competition are the dominant values; social ethics and sustainability are often marginalized or only symbolically adopted.

Further analysis shows that while capitalist management principles offer structural efficiency and competitive advantage, they also create ethical dilemmas and social contradictions that cannot be ignored. For example, organizational decisions to reduce costs through automation or layoffs may increase short-term profitability, but risk compromising human values and social responsibility. Thus, sustainable management practices require a balance between economic rationality and commitment to ethical values. Today's organizations are required to not only optimize resources, but also reconstruct managerial values to align with social justice and long-term sustainability.

Management, often touted as a scientific discipline, is frequently criticized for its rigid adherence to hierarchical structures that prioritize efficiency and profitability over social and ethical considerations. In a capitalist framework, management is perceived not merely as a tool for achieving

organizational success but as a mechanism that perpetuates inequalities and undermines the broader social fabric.

While Drucker (1999) emphasizes management as an art and science, this perspective fails to account for the inherent limitations of a hierarchical approach that often marginalizes diverse voices and alternative value systems. Critics argue that the traditional hierarchy of knowledge in management can lead to a narrow understanding of decision-making processes, where efficiency metrics overshadow critical ethical considerations. The reliance on a knowledge hierarchy that prioritizes technical rationality often results in a mechanistic view of organizations, reducing human beings to mere resources in the pursuit of profit. This perspective, as noted by Weber (1947), can create an “iron cage” of bureaucracy that stifles innovation and ethical leadership, ultimately compromising the very essence of effective management.

Moreover, the assumption that capitalist management principles inherently support social responsibility is fundamentally flawed. The focus on performance-based accountability, as highlighted in the literature, often leads to a culture of hyper-competition that sidelines ethical considerations. The prioritization of key performance indicators (KPIs) and return on investment (ROI) creates a results-driven environment where anything that cannot be quantified is deemed irrelevant. This reductionist approach not only neglects the complexities of human relationships but also fosters a culture where ethical dilemmas are viewed as obstacles rather than integral components of decision-making. The values embedded within capitalist management practices—individualism, competition, and capital accumulation—reinforce a system that often exacerbates social inequalities and environmental degradation.

The notion that meritocracy provides equal opportunities is a myth that overlooks systemic barriers faced by marginalized groups. Furthermore, the relentless pursuit of capital accumulation frequently leads to the exploitation of labor and the environment, raising questions about the true sustainability of such practices. In addition, the contradictions between efficiency and social ethics highlight a fundamental tension in capitalist management. While organizations may adopt corporate social responsibility (CSR) initiatives, these efforts are often superficial and serve more as marketing strategies than genuine commitments to ethical practices. The reality is that ethical considerations are frequently subordinated to profit motives, resulting in a disingenuous approach to management that fails to address the root causes of social and environmental issues.

The literature review, while comprehensive, may overlook alternative management models that challenge the status quo. Emerging frameworks, such as values-based management and humanistic approaches, emphasize the need for a paradigm shift that prioritizes ethical values and social responsibility over mere efficiency. By integrating diverse perspectives and fostering a culture of inclusivity, organizations can create a more equitable and sustainable management practice that aligns with the needs of all stakeholders. Ultimately, the call for a re-evaluation of the hierarchy of knowledge and values in management is not merely an academic exercise but a necessary step toward fostering a more just and responsible approach to organizational leadership. As we navigate the complexities of contemporary management, it is imperative to recognize that true effectiveness lies not only in achieving results but also in cultivating a culture that values ethical considerations, social justice, and long-term sustainability.

Discussion

A clear manifestation of this tension can be seen in managerial decisions such as cost reduction through automation, outsourcing, or mass layoffs. While such strategies may enhance short-term profitability and satisfy shareholder expectations, they often undermine social responsibility, erode job security, and contribute to growing inequality and alienation in the workplace. This illustrates how a narrow focus on efficiency and profit can conflict with the organization’s moral obligations to its employees and the broader community.

In this context, the imperative for sustainable and ethically grounded management becomes increasingly urgent. Organizations today are no longer evaluated solely based on their financial performance but are also held accountable for their social and environmental impact. As such, sustainable management is not merely about resource optimization or compliance with regulations—it requires a fundamental reconstruction of managerial values to incorporate principles of social justice, intergenerational equity, and ecological stewardship.

This shift demands a rethinking of organizational purpose: from being instruments of capital accumulation to becoming agents of transformative change that balance economic goals with ethical considerations. In practice, this involves integrating stakeholder perspectives into strategic planning, promoting inclusive decision-making, and adopting long-term performance indicators that reflect not only financial outcomes but also contributions to human and planetary well-being. Only through such a reorientation can management practices evolve to meet the complex challenges of the 21st century.

As organizations strive to redefine their roles in society, the emergence of stakeholder capitalism presents a compelling alternative to traditional profit-centric models. This approach emphasizes the importance of creating value not only for shareholders but also for employees, customers, and the community at large, thereby fostering a more inclusive and equitable economic landscape. By prioritizing long-term relationships and mutual benefit, stakeholder capitalism aligns closely with the growing demand for corporate social responsibility and ethical governance, as seen in the increasing scrutiny of business practices in the 21st century (Tziner & Persoff, 2024). Furthermore, this paradigm shift encourages organizations to adopt innovative practices that integrate sustainability into their core strategies, challenging the notion that profitability and ethical responsibility are mutually exclusive. As such, the transition towards stakeholder capitalism not only addresses the contradictions inherent in capitalist management but also paves the way for a more resilient and socially conscious business environment, capable of navigating the complexities of modern economic challenges (Sharma, 2024).

CONCLUSION

This study has illuminated the central role that the hierarchy of scientific inquiry—ontology, epistemology, and axiology—plays in shaping the foundations of management practices within capitalist systems. The ontological assumptions of capitalist organizations are rooted in the belief that economic actors and institutions are rational, utility-maximizing entities. Epistemologically, capitalist management adopts a positivist orientation, privileging measurement, objectivity, and control through data-driven decision-making. Axiologically, it is guided by values such as efficiency, capital accumulation, competition, and growth—often to the exclusion of ethical, social, and ecological considerations.

However, this value architecture is increasingly at odds with contemporary normative imperatives—including social justice, sustainability, ethical governance, and human dignity. The analysis reveals a persistent tension between the instrumental logic of capitalist management and the demands of substantive rationality. While capitalist principles may ensure structural efficiency and market competitiveness, their unchecked application can lead to ethical erosion, social alienation, and a dehumanized organizational culture.

As organizations strive to reconcile the demands of profitability with the imperatives of ethical governance, the concept of ethical organizational culture emerges as a crucial framework for navigating these complexities. Research indicates that a strong ethical culture can significantly reduce sickness absence and turnover, suggesting that when employees perceive their organization as committed to ethical values, their engagement and loyalty increase, ultimately enhancing organizational performance (Kangas, 2016). This shift towards cultivating an ethical culture not only addresses internal challenges but also aligns with external pressures for accountability and social responsibility, reflecting a broader societal expectation for businesses to contribute positively to the communities they serve (Arifin & Syahrir, 2019). Moreover, the integration of ethical considerations into the core of organizational strategy

can foster innovation and resilience, allowing firms to adapt more effectively to the evolving landscape of stakeholder expectations and regulatory requirements (Dwistia et al., 2025). In this context, the role of leadership becomes paramount; ethical leaders who model integrity and transparency can inspire a culture that prioritizes collective well-being over mere financial gain, thereby redefining success in a manner that harmonizes economic and social objectives.

Therefore, there is an urgent need for a paradigm shift—from a narrowly economic view of management to a more reflective, value-conscious, and ethically grounded approach. Recognizing the philosophical underpinnings of management and integrating ethical reasoning into organizational decision-making are critical steps toward building equitable, inclusive, and sustainable institutions.

Recommendations

1. For academics: Scholars should prioritize the development of critical and pluralistic management theories that transcend the narrow confines of efficiency. Future research should explore how diverse cultural, ethical, and socio-economic contexts influence managerial values and practices. Emphasis should also be placed on the intersection of philosophy, ethics, and organizational theory to enrich the epistemological and axiological foundations of management studies.
2. For management practitioners: It is imperative for practitioners to begin adopting a value-based management paradigm—one that systematically considers the social, environmental, and ethical implications of managerial actions. This includes integrating ethical principles into strategic planning, hr practices, and performance metrics, thereby transforming values from abstract ideals into operational norms.
3. For policymakers and organizational leaders: Policymakers and corporate leaders must establish institutional frameworks that reconcile economic and social objectives. This includes mandating transparency, stakeholder engagement, and robust environmental, social, and governance (esg) standards. Policy should actively promote organizational accountability not only to shareholders, but to broader societal stakeholders and future generations.
4. For management education and organizational development: Educational institutions and professional development programs must embed critical thinking, philosophical inquiry, and ethical literacy into the core of management curricula. This is essential to cultivate future managers who understand the hierarchy of knowledge and values, and who are equipped to navigate the moral complexity of decision-making in the context of late-stage capitalism.

ACKNOWLEDGEMENTS

I would like to express my sincere gratitude to the Doctoral of Management Program at Universitas Islam Indonesia for the financial support provided, which enabled my participation in this conference. I also extend my heartfelt thanks to the faculty members and fellow students of the program for their valuable feedback and suggestions on the early drafts of this paper. Their support has been instrumental in refining the quality of this work.

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