

# Epistemological Positivism and Entrepreneurship in Colombia

FECHA DE RECEPCIÓN: 20 de agosto de 2015  
FECHA DE APROBACIÓN: 10 de noviembre de 2015  
Pp. 63-76

Por  
*Jaime Andrés Reyes\**

## Abstract

The objective of this article is to explore the possible relationships that may exist between Positivism and Entrepreneurship in Colombia. In order to do so different articles, reports, books and videos about Epistemological Positivism and Entrepreneurship in Colombia are analyzed. The article presents two final assumptions which are drawn taking into account the principles of Positivism and the previous stadiums (theological and metaphysical). It questions the way a new venture in Colombia, and future organizational decisions are made and inquiries who they blame or credit when results are confronted in their companies.

## Key Words

Positivism, Epistemology, Knowledge, Theology, Metaphysics, Entrepreneurship.

---

\* PhD. PUCP, Maastricht School of Management, Holanda. Magíster en Marketing UNSW, Sydney, Australia.

## *Positivismo epistemológico y el espíritu empresarial en Colombia*

### **Resumen**

*El objetivo de este artículo es explorar las posibles relaciones que puedan existir entre positivismo y espíritu empresarial en Colombia. Para hacerlo, se analizan diferentes artículos, informes, libros y videos sobre positivismo epistemológico y espíritu empresarial en Colombia. El artículo presenta dos teorías finales que se elaboran teniendo en cuenta los principios del positivismo y sus estadios anteriores (teológicos y metafísicos). Cuestiona la forma en que se crea una nueva empresa en Colombia y como se toman decisiones organizacionales a futuro, además de buscar respuestas frente a quienes se culpa o a quién dan crédito cuando los resultados en sus empresas se enfrentan.*

### **Palabras clave**

*Positivismo, epistemología, conocimiento, teología, metafísica y emprendimiento.*

## *Positivisme Épistémologique et Esprit d'entreprise en Colombie*

### **Résumé**

*L'objectif de cet article est d'explorer les différentes relations pouvant exister entre le positivisme et l'esprit d'entreprise en Colombie. Pour ce faire, différents articles, rapports, livres et vidéos sur le positivisme épistémologique et l'esprit d'entreprise en Colombie ont été analysés. L'article présente deux conclusions principales qui prennent en compte les principes du positivisme et de ses stades précédents: la théologie et la métaphysique. Les conclusions mettent en doute la façon dont de nouvelles entreprises peuvent surgir en Colombie ainsi que le crédit apporté aux résultats lorsqu'ils sont remis en cause par la hiérarchie de l'entreprise.*

### **Mots clés**

*Positivisme, l'épistémologie, la connaissance, la théologie, la métaphysique et de l'entrepreneuriat.*

## *Positivismo Epistemológico e Empreendedorismo na Colômbia*

### **Resumo**

*O objetivo deste artigo é explorar os possíveis relacionamentos que possam existir entre Positivismo e Empreendedorismo na Colômbia. A fim de fazer diferentes artigos, relatórios, livros e vídeos sobre a análise do Positivismo Epistemológico e Empreendedorismo na Colômbia. O artigo apresenta duas supostas hipóteses, as quais são projetadas levando em conta os princípios do Positivismo e anteriores padrões (teologia e metafísica). O mesmo questiona a forma como um novo empreendimento na Colômbia e a organização futura de decisões são realizadas e questiona de quem é a culpa ou crédito quando os resultados são confrontados nas suas empresas.*

### **Palavras-chave**

*Positivismo, epistemologia, conhecimento, teologia, metafísica e empreendedorismo.*

## 1. Background

In this century decisions in small and medium companies in a country traditionally as religious (mainly catholic) as Colombia could be taken with more faith than scientific knowledge. The majority of entrepreneurship are originated by the economical need of the entrepreneur, many of them with little academic background or practical experience. This situation makes difficult for them to get into the working force.

Under these circumstances their main objective is to satisfy their needs before thinking about generating a business idea or value proposition that satisfy someone else's needs. Of course it leaves aside any scientific evaluation of its business idea and therefore the decision making process is more about superstitious beliefs (Theological or Metaphysical) before following a scientific and verifiable process of knowledge generation (Positivism). If that is the case, mistakes and victories may be attributes to gods and invisible forces instead of becoming a source of learning as its mentioned by ( Flórez & Tobón, 2001) who stated that according to The Positivist, inspired by Kant, what allows knowledge progress in the society is observable experience, positive facts. If so, this could be the cause of the great number of failed entrepreneurships in Colombia and therefore the problem could be solved by training and education.

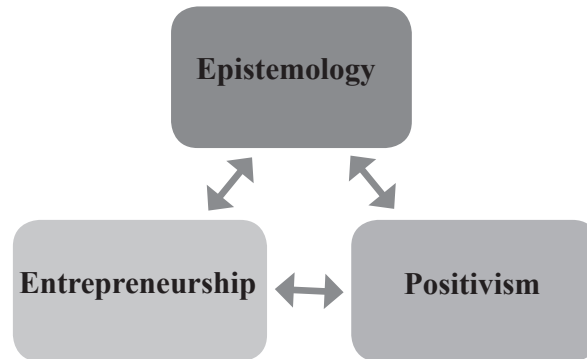
## 2. Theoretical Framework

There is no certainty about what approach is taken by Colombian entrepreneurships when deciding to set up a new company or business unit within an existing company. Neither there is certainty about under which criteria, decisions within those companies, are taken. The options are:

- These decisions are taken using a positive epistemological approach where knowledge is built upon observations.
- These decisions are taken in an intuitive way explaining and appointing facts (and therefore results) to unseen forces (metaphysics) or gods (theology).

In order to conduct the following analysis it is necessary to define the following concepts: epistemology, positivism and entrepreneurship.

**Figure 1. Concepts to be analyzed**



Source. Author.

#### ♦ Epistemology

We can conceive epistemology as “an interdisciplinary perspective of critical and especially social analysis that allows processes study of knowledge production, legitimation and reproduction” (Machín Suárez, 2010, pág. 12). Assuming a pragmatic perspective, knowledge and truth are valuable for entrepreneurs as long as they are useful and applicable in their companies as stated by (Rodríguez & Opazo, 2009, pág. 31): “for pragmatics, truth has meaning as long as it is useful in practical life” Whereas for positivist something is meaningful if and only if it is logically true or else is empirically verifiable (ÇAKIR, 2012, págs. 664-674). In this sense we could say that the job of positivism in business would be equally predominant to the one that research has in pedagogical research when it aims to “find pragmatics results at an axiological and pragmatic level more than at the theoretical and epistemological level” (Machín Suárez, 2010, pág. 12).

#### ♦ Positivism

For positivist knowledge progress in society is allowed through observable experience, positive facts. Positivism aims researchers do not interfere with the results relating his/her job for the verification of announcements trough

empirical procedures, experimental methods such as observations, measurement and the analysis of data according to statics. This Scientifics are not concern about whether or not the announcement is true or false but rather if it is capable of identifying the operations throughout this announcement, and if they can be verified even partially (Flórez & Tobón, 2001). Under Positivism facts and phenomena are attributed to science leaving aside theological stadium, where this facts were attributed to gods, and metaphysic stadium or negative, where the facts are explained by representations and abstract concepts.

### ◆ **Logical Positivism**

Logical positivism in the 1920s and 1930s reaffirmed and refined the commitment to observations as foundation for truth. During the early part of 20th century Logical Positivism dominated discussions of scientific epistemology. Developed by the Vienna Circle, logical positivism accepted as its central doctrine Wittgenstein's verification theory of meaning. (ÇAKIR, 2012, págs. 664-674). In this theory philosophers tend to be more preoccupied for what meanings can be false or truth than for those announcements that can be true. For Wittgenstein concepts do not operate in emptiness but they are tied to praxis of individuals (Pleasants, 1999). This way of thinking gives room for relative reasoning since the meaning of a fact can change depending on the experiences of each person. Under this perspective, "knowledge is then a matter of communication among persons who share decisions and action, concluding that observations do not produce facts because they are dependent in the different theoretical and cultural schemes that the observer brings into the solution" (Rorty, 1980).

### ◆ **Entrepreneurship**

It is a word used in order to mark who initiates an organization (Silva, 2013, pág. 15). Entrepreneurs play an important role in societies. According to Shumpeter 1930, entrepreneurs act as a force of destructive creation. In other words, they change technology products and the way things are made for new ones that the market perceives as greater value (Harvard Business Essentials, 2005, pág. XIV).

Of course this is not the case of every single person who decides to set up a new business since, on one hand, innovation is not tied up with every entrepreneur initiative (therefore there are copy cats). On the other hand, innovation is not necessarily a winning lottery ticket or the secret ingredient that assures success since success depends on many other factors. As stated on (Harvard Business Essentials, 2005, pág. XV): “it is important to recognize that entrepreneurs do more than thinking about new concepts and recognize its commercial opportunities. They take the next step: forming enterprises to marshaling resources to address them”. Entrepreneurs are not only those who decide to initiate new companies in an independent way. In fact there are some variations of the concept, for example: “intraentrepreneur” (intraemprendedor in Spanish) to refer to those who inside someone else’s organization “has chosen corporative entrepreneurship as their policy” (Silva, 2013, pág. 17).

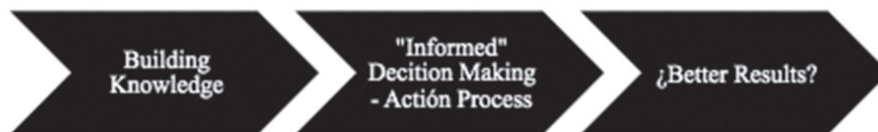
### 3. Discussion

**M**ost companies in Colombia start out of necessity. The Business discontinuation rate (“Percentage of individuals aged 18-64 who, in the past 12 months, have discontinued a business, either by selling, shutting down, or otherwise discontinuing an owner/management relationship with the business”) for 2014 was 5,4% according to (GEM, 2014). Knowledge about the industry or business administration in many cases is relatively low since many entrepreneurs are not highly educated. Colombia has been moving forward towards educating its population but its figures remain low. In between 2002 and 2011 the number of degrees, pre-graduated and post- graduated programs, was doubled. This presumably means an increasing number of human capitals, twice as much, capable of generating knowledge and innovation (Gómez & Mitchell, 2014). Nonetheless there are well known examples of entrepreneurs at local and international level, who did not finish their university studies: Mario Hernandez, Bill Gates, Richard Branson and Steve Jobs.

Formal education may be an important ingredient of innovation but it may not necessarily be the case for entrepreneurs success or survival as (Gómez & Mitchell, 2014) state: “Colombia’s science technology and innovation strategy has been paradoxically away from the actor who should be the main focus: companies”. On the other hand, according to Innpulsa, EAI (High Impact Entrepreneurship, in Spanish *Emprendimiento de Alto Impacto*) are companies that include innovation in their strategy and change the rules of the industry, experiencing higher and more sustained profits (Innpulsa Colombia). It is not evident the criteria to decide what type of business to set up is or in which industry the company should compete. However if the decision of setting up a business has more to do with its own necessities instead of generating a better value proposition for others, it is not surprising that The Business discontinuation rates are not higher.

It would be, on the other hand, interesting to confirm if those entrepreneurs who manage to “survive” or succeed throughout the years apply any of the Epistemological Positivism principles: building knowledge by observing facts. This results would be very curious as it would agree with Compte 1995 “the public increasingly feels that science are not exclusively reserved to scientist, but rather they exist for themselves” taken from (Bordeau, 2003, pág. 120).

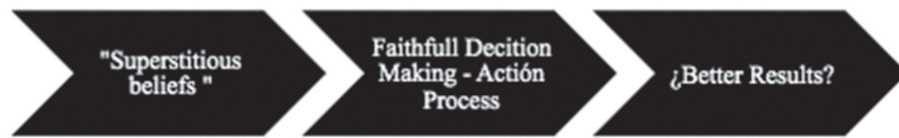
**Figure 2. Building Knowledge using Positivism**



**Source. Author.**

It will also result interesting to see, if in a country like Colombia, characterized by being religious, entrepreneurs blame or credit, their successes or failures, to theological or metaphysical forces and what kind of decisions are made on that bases. If so, this result would be in accordance with (Bordeau, 2003, pág. 121) when he says: “Theology preserves its roll because nobody replaces it”.



**Figure 3. Failure and Success attributed to Theology and Metaphysics**

**Source. Author.**

The absence of formal education does not necessarily mean lack of verifiable empirical knowledge since entrepreneurs can obtain their knowledge by secondary sources or by observing and their own experiences (verifiable empirical data) (Macionis & Gerber). An example of this is Mario Hernández winner of Entrepreneur of the Year Ernst & Young 2011 (Ean Business Review, 2013). He recognizes, for example, that his failure opening the first shop in New York was his best MBA (EAN, 2013). What he meant is that thanks to that experience he managed to get the necessary knowledge for growing his company: “If I had not set up the shop in New York I would never had change the brand name”. Based on that we could argue that failures can build success but more evidence to prove it is necessary (Figueroa, 2012, pág. 18).

The relation of positivism and pragmatism is not evident “there must be highlighted that Compte was not empiric” (Bordeau, 2003, pág. 117). He stated: “empiricism itself is sterile and every observation supposed a previous theory” (Bordeau, 2003, pág. 118). Comte also believed that science was destined to become the spiritual base of social order (Comte 1920 taken from (Bordeau, 2003, pág. 119) so scientist would play the role of clerics.

For logical positivism the relationship with pragmatism is closer. Although there is no uniformity of opinion among logical positivism authors they suggest that their conception of epistemology was between empiricist and naturalistic (Kitchener, 2004, pág. 41). Logical positivism like Carnap talk about the pragmatics of science when talking about methodology: “methodology belongs to pragmatics and pragmatics is basically empirical in nature” (Carnap, 1963). Although logical Positivism is more concerned with matters of language, its pragmatic approach are important for the subject of this analysis.

## 4. Assumptions

From those reflections we can draw the following assumption:

For positivism the fundamental objective of getting to know humanity is to assemble it better (Bordeau, 2003, pág. 121). From a pragmatic point of view we could say that, under Positivism's bases, it is expected that those who do not know the "truth" take their decisions in an introspective or intuitive way. Consequently they should show the weakest results in their organizations since they are not aware about the rules of sociology (Macionis, 2012, pág. 11).

But ¿what if they do succeed? ¿what if those who blindly go for their objectives, without taking into considerations the rules of humanity or their previous results, are at least as successful (or even more) than those who get to know the "truth"? ¿What would it mean for epistemology? In this case we would need empirical evidence to support it and make it a good theory but, we would not need factual knowledge, perhaps only a logician to determine the formal validity of an argument since confirmation would be a logical relation between e (a sentence describing or reporting empirical evidence) and h (the sentences mentioned in the previous paragraph). Since inductive logic was used we will therefore require theory of acceptance in order to determine under which conditions the theory is acceptable (Kitchener, 2004, págs. 45-46).

## 5. Conclusions

---

Based on the analysis made in this article two possible relationships between Positivism and Entrepreneurship in Colombia are presented under the following assumptions:

- A Positivist one, where decisions are made based on science, and therefore knowledge is built upon it.
- The second one, where results are attributed to gods and unknown forces and therefore superstitious beliefs would be the resource to make decisions.

There is no evidence about the correlation between applying the principles of Positivism and surviving and succeeding as an entrepreneur in Colombia. In order to apply the principles of Positivism to this analysis there must be first hard facts.

We could say that one fact is that in Colombia there are successful entrepreneurs. However this article does not provide sufficient evidence to prove so, this is therefore an opportunity for further research. Under positivism it would also be necessary to clearly identify and measure “success” as a construct.

## 6. References

- Bordeau, M. (2003). *Science, Religion and Society in Auguste Comte. Empiria*, 6, 115-125.
- Çakir, M. (Spring de 2012). *Epistemological dialogue of validity: buidilng validity in educational and social research. Education, Vol. 132* (Issue 3), 664-674.
- Carnap, R. (1963). *The Philosopher replies*. P. A. Schilpp , 859 -1016.
- EAN Business Review. (2013). Mario Hernández: un camino al éxito. *Revista EAN Business Review, Vol. 3, Núm. 1*. Recuperado de [http://eanbusinessreview.ean.edu.co/index.php?option=com\\_content&view=article&id=96:mario-hernandez-un-camino-al-exito&catid=46:volumen-3-numero-1-enero-junio-2013](http://eanbusinessreview.ean.edu.co/index.php?option=com_content&view=article&id=96:mario-hernandez-un-camino-al-exito&catid=46:volumen-3-numero-1-enero-junio-2013).
- Figueroa, A. (2012). *The Alpha-Beta Method Scientific Rules for Economics and the Social Sciences*. CENGAGE Learning / CENTRUM Católica Graduate Business School.
- Flórez , R. O., & Tobón, A. R. (2001). *Investigación Educativa y Pedagogía*. Mac Graw Hill.Interamericana S.A.
- GEM. (2014). *Global Entrepreneurship Monitor Global Report 2014*. Recuperado de <http://www.gemconsortium.org/docs/download/3616>
- Gómez, H. J., & Mitchell, D. (2014). *Innovación y emprendimiento en Colombia*. Bogotá: Cuadernos de Fedesarrollo.
- Harvard Business Essentials. (2005). *Entrepreneur's Toolkit*. Boston, Massachusetts: Harvard Business School Press.
- Innpulsa Colombia. (s.f.). *Escalando el Eprendimiento en Colombia: la voz de los emprendedores*. Recuperado de: [http://www.innpulsacolombia.com/sites/default/files/la\\_voz\\_de\\_los\\_emprendedores.pdf](http://www.innpulsacolombia.com/sites/default/files/la_voz_de_los_emprendedores.pdf)

- Kitchener, R. F. (2004). *Logical Positivism, Naturalistic Epistemology, and the Foundations of Psychology. Behaviour and Philosophy*, 37-54.
- Machín Suárez, R. (2010). *Causas epistemológicas de la presencia sostenida del positivismo en la investigación en ciencias de la educación*. Cuba: Editorial Universitaria.
- Macionis, J. J. (2012). *Sociology* (14th ed.). Boston: 14th Edition.
- Macionis, J. J., & Gerber, L. M. (s.f.). *Sociology* (Seventh Canadian Edition ed.). Canada: Pearson.
- Pleasant, N. (1999). *Wittgenstein and the Idea of Critical Social Theory. A Critique of Giddens, Habermas and Bahaskar*. London, New York: Routledge.
- Rodríguez M., D., & Opazo B., M. (2009). *Comunicaciones de la Organización* (Primera Edición). México D.F.: Alfaomega.
- Rorty, R. (1980). *Philosophy and the mirror of nature*. Princeton: Princeton University Press.
- Silva, J. E. (2013). *Emprendedor. Hacia un emprendimiento sostenible* (Segunda Edición). Bogotá: Alfaomega.
- Universidad EAN. (1 de 03 de 2013). *Conferencia de Emprendimiento con Mario Hernández*. Recuperado de <https://www.youtube.com/watch?v=DCKGPbAOpwA>

