Business schools and the construction of management knowledge: an analysis of the MBA

Thesis

How to cite:

For guidance on citations see FAQs.

© 2007 The Author

https://creativecommons.org/licenses/by-nc-nd/4.0/

Version: Version of Record

Link(s) to article on publisher’s website:
http://dx.doi.org/doi:10.21954/ou.ro.0000e97a

Copyright and Moral Rights for the articles on this site are retained by the individual authors and/or other copyright owners. For more information on Open Research Online’s data policy on reuse of materials please consult the policies page.

oro.open.ac.uk
BUSINESS SCHOOLS AND THE CONSTRUCTION OF MANAGEMENT KNOWLEDGE: AN ANALYSIS OF THE MBA

KAREN VICTORIA ESLAND

BA (Hons) Sociology  University of Kent
MA Cultural Studies  Lancaster University

Submitted in accordance with the requirements for the degree of Doctor of Philosophy

The Open University
Centre for Research in Education and Education Technology
September 2006
# Contents

Abstract 2

Introduction 5

Chapter 1  The institutional formation of business schools and their cultural and political significance 21

Chapter 2  Political and economic context of the development of the business school 59

Chapter 3  Rise of the business school 94

Chapter 4  The cultural significance of the business school 137

Chapter 5  The MBA 183

Chapter 6  The business school and its external relations 232

Chapter 7  The social construction of management knowledge 276

Conclusion 311

References 321

Appendices 361
Abstract

The focus of this thesis is the expansion of business education in the UK over the past two decades. The reasons for the expansion are tied to the political and economic agendas of the New Right. The economic crises of the 1970s, resultant labour market instability and growing international competition led to the emergence of a political strategy around the promotion of management, to improve employment discipline, economic efficiency and national competitiveness. The dismantling of the post-war welfare settlement and consequent marketisation of the public sector resulted in the role of management being elevated within the public sector. The state-sponsorship of management within private and public sectors involved a confluence of interests around the growth of management education: increased demand was created which the tertiary sector was favourably predisposed to supply.

The political articulation of public sector policy and practice in terms of a management discourse constitutes a distinct cultural and ideological transformation. The movement of a managerialist discourse into non-business spheres has involved business schools becoming important cultural intermediaries, contributing to a reconstitution of society. Given the political emphasis upon and cultural prevalence of management discourses, the factors influencing the construction of management knowledge and the ideologies it favours are of significance. This study examines the MBA curricula of business schools, focusing on the induced tension between business values, based on the broad acceptance of capitalist principles, and the academic requirement for critical analysis of business practice. This potential
tension is explored in interviews with a number of academics. The responses indicate that balancing academic and business priorities can be a complex process with consequences for identity management. This study traces the implications of the political promotion of management knowledge and the role of the business school in the emergence of a new political settlement.
Introduction

A measure of the success of our first ten years is that we have restored management to its proper place in society.

Kenneth Clarke, Secretary of State for Education (1992) ¹

This study is about the role of the business school within the UK. Since the late 1980s, there has been a massive expansion in management education, not only in the quantity of students involved, but also in the number of courses and institutions providing them. Handy et al (1988) note that in 1986, 1200 students graduated with an MBA in the UK; 10,000 students now graduate annually with an MBA (Association of Business Schools 2006). According to the Higher Education Statistical Agency (HESA 2005), Business and Administrative Studies remain consistently the most popular courses with students of all ages. In 2003/4, the combined undergraduate and postgraduate population was 245,527, 12 per cent of the total student body. Clearly there has been a sizable increase in both the supply of and the demand for management education. The question is why?

This expansion cannot be adequately explained in terms of internal developments within business schools themselves. The activities of business schools need therefore to be situated within their social and political context in order to explore the reasons for the expansion. This study sets out to examine the links between the

¹ Kenneth Clarke was interviewed on the Today programme, BBC Radio 4, 12.3.92, quoted in Clarke and Newman 1993.
growth of the management education sector and the political and economic agendas of the state, and to assess the implications of these links.

As many commentators have noted, the last quarter of the twentieth century saw a major transformation in the political economy of the UK. The post-war settlement based on social democracy and universal state welfare foundered on the failure of British governments to sustain the national economy following the world oil crises which began in the early seventies and whose influence continued for the rest of the decade. The consequent massive rises in inflation and their knock-on effects on an increasingly militant labour force fostered a popular discourse of political crisis. This sense of crisis was captured by Crozier et al (1975) in their influential book *The Crisis of Democracy*. The fear of social breakdown and disorder was attributed by some to what was felt to be the 'licence' of the trade unions to undermine industrial stability in their pursuit of workers' interests – a fear captured in the much publicised statement made by Michael Edwardes, the managing director of the British Leyland car company, that 'managers should have the right to manage'.

It is possible to identify two major political strategies which grew out of the political destabilisation of the 1970s: the first was the development of a new international economic order – a process later described as the pursuit of globalisation; and the second, the massive investment in business management designed to meet the skill needs of those required to manage the new globalised economy. The incoming Thatcher government placed economic restructuring and labour market reform at the centre of its political agenda, to address the perceived uncompetitiveness of British
industry. There was governmental concern that the UK was suffering from a failure to supply a sufficiently skilled, educated and organised workforce to compete effectively in an increasingly global economy. Post-compulsory education and training policies and practices came to be articulated in terms of the discourses surrounding economic globalisation from the mid-1980s on: the pursuit of national competitiveness was linked to a need for educational and vocational reform.

Alongside the New Right's strategy to address the apparent inadequacies of the UK's skills base was a concomitant drive to reinforce the position of management, both legislatively through economic deregulation and the delimitation of trade union influence, and through encouraging the development of managerial expertise and authority. A number of reports published during the 1980s emphasised the low levels of training managers received and the inadequacy of existing management education provision. The view developed within government and among employers' organisations that the economic regeneration sought would be enhanced not only by the repositioning of management practice but through greater emphasis upon management education and training. In this way, business schools may be seen as integral to the Thatcherite project of promoting the cultural and economic position of management and fostering a closer degree of synchronicity between the education system and national economic requirements.

There are a number of accounts of the dismantling of the post-war welfare settlement by the New Right and the resultant marketisation of the public sector\(^2\). The changes introduced, overhauling the institutions, governance, relationships and culture of the

---

\(^2\) See Pollitt (1993); Leys (2001); Clarke and Newman (1997); and Maidment and Thompson (1993).
public sector, have been argued to constitute part of a reinvention of the state. In his book *The Decline of The Public*, Marquand suggests that this political transformation amounted to a form of *Kulturkampf* in the UK polity, pointing out that:

De-regulation, privatization, so-called public-private partnerships, proxy markets, performance indicators mimicking those of the private corporate sector, and a systematic assault on professional autonomy narrowed the public domain and blurred the distinction between it and the market domain. Public functions of all kinds were farmed out to unaccountable appointed bodies, dominated by business interests and managed according to market principles.

2004: 2

Private sector business practices informed many of the changes to the public sector, the political rationale being that the application of market principles would create greater levels of efficiency and cost-effectiveness. Management techniques, practices and ideologies were appropriated to serve politically designated objectives and agendas. The previous organisational role of the public administrator was reinvented as that of manager, thereby giving rise to new training needs. The state-sponsorship of management within both the public and private sectors and the priority given to it by the state, raises questions about the extent to which this has contributed to the expansion of management education, and the relationship between management education and the development of ‘managerialism’, in other words the use of management for political ideological purposes.

Given the political significance attached to management practice and education, business schools are clearly institutions worthy of investigation. The business school
may be viewed as a site of management knowledge production and dissemination that has both academic and commercial concerns. This thesis constitutes an attempt to map out the main influences upon the processes of construction of management knowledge, the uses to which this knowledge is put and the practices and ideologies it supports. As management knowledge is used and negotiated within many different contexts, this cannot possibly be a comprehensive analysis of an entire edifice of praxis and meaning. Instead, this thesis focuses on particular areas with the intention of trying to identify some of the dominant influences shaping what is taken for granted as valid management knowledge. The loci of this exploration are business schools, and public sector institutions, as they provide the possibility of assessing the political utility of particular management ideas.

As this thesis has been some years in the writing, it is now more of an historical rather than contemporary analysis of management education in the UK. The main focus of this research is the expansion of postgraduate and post-experience management education which occurred from the late 1980s on. Much of the data however, refers to the mid to late 1990s which is when the main body of the research took place. The New Right's project of reform throughout the 1980s and 90s however, has had far-reaching consequences, the legacy of which is still felt almost a decade later. Analysing the rise and functioning of the business school in the reconstitution of the state and society is therefore still a worthwhile endeavour.
Overview of the thesis

Business schools originated in the United States during the 1880s, and became established within the UK from 1945, with the founding of the Henley Administrative College. Since its introduction within the UK, management education has undergone two major periods of expansion, the first during the 1960s and then more recently during the 1980s and 1990s. It is this second period upon which this study largely focuses. The massive expansion in both the number of business schools and courses on offer and the number of students attending such institutions raises a number of issues. A key question with which this thesis is concerned is the extent to which this expansion has been linked to a growth in the cultural, political and economic importance of management practice within the UK.

Both the practice and the discourses of management have occupied a central position within the social and economic changes that have occurred not only in Britain, but throughout most of the Western world over the past two decades. Structural economic factors such as recession, increased global competition, fluctuations in consumer demand, and instability within world product markets (Lane 1989) have been a catalyst for large-scale economic restructuring. The advent of new technologies and the globalisation of finance and communications have pushed the practice of management to the forefront in the quest by business for increased competitiveness. Business schools have benefited substantially from this emphasis upon efficient management as the route to economic prosperity.
The core function of business schools is to train, develop and educate managers in the practice of management - of the people, resources, and the financial standing and operations of any given organisation. In straightforward terms therefore, business schools are a source of public knowledge about how organisations should behave, how they should be run, and how they should relate to the people who work within them. Given that workplace practices impinge upon the everyday life of the majority of the population, the business school as both a source and a disseminator of management knowledge, theories and ideas regarding best practice, occupies an influential position. Business schools are distinctive in that they are situated within the higher education system but also have close links with the world of business; they have consequently been shaped by the often differing expectations of the educational establishment, commerce and successive governments. Hagen et al (2003) consider the business school to represent the two hegemonic structures of capital and education. One of the main interests of this research is how and why business schools have come to be significant political, economic and cultural institutions.

The first part of the study (chapters one to four) examines the history of UK business schools in terms of their social and economic context and the political and educational policy initiatives and agendas influencing management education from the 1970s onwards. In the second part of the study (chapters five to seven), there is a shift of focus to examine the content of the curriculum, the processes of knowledge construction and the views of the academics that are involved in them.
In order to try to understand how and why there has been large-scale expansion of business education within the UK and the significance of this phenomenon, this study looks not at only the history of business education, but also the significance of the restructuring of capitalism post-1970 and the resulting intensification of the processes of globalisation. Within the UK, economic restructuring has occurred alongside a political realignment of the relationship between education and the economy. During the 1980s and 1990s, the emphasis upon a close relationship between educational and economic outcomes has been linked with the process of cultural transformation associated with managerialism, promoted largely (although not exclusively) by the New Right (Pollitt 1993; Marquand 2004). This research attempts to examine the operations of business schools in the context of the employment policies and practices and the political economy of the UK: the evolution of both management education and the practice of management has necessarily been influenced by political and economic circumstances and trends. This investigation aims to provide a sociological analysis of business education, subjecting the norms, values and agendas endorsed by business schools and the relationship between them and current employment practices to critical scrutiny.

This thesis aims to look at business schools, their curricula and their clients within the wider context of economic and employment policies. Business schools as sites of knowledge production and utilisation do not exist in isolation: current and future economic conditions, employment policies and practices, and governmental regulations and incentives all have some influence upon the knowledge base of management. Business and industry constitute a source of knowledge regarding
management practice for business schools. The management knowledge constructed and accumulated by academics through a process of negotiation with their students and other stakeholders within business schools is disseminated to individuals working in business and industry (Morgan 1990). This process raises the issue of the relationship between business and post-experience management education and the degree of correspondence between management and organisational theory and the lived experience of management practitioners.

Although many business schools clearly regard a close relationship between management education and business as being of importance, they constitute semi-autonomous entities. Business schools exist as educational institutions and professional communities, and as such encompass a range of working practices, value systems and work-based identities. A number of academics from four business schools were interviewed regarding the factors they believe influence the development of management knowledge and curricula, among which they consider the relationship between the business school and the consumers of business school output (ranging from individual practitioners to employing institutions), the expectations of students and the extent to which these are addressed or accommodated within management programmes.

One of the defining characteristics of management education is its position as a vocational subject with an academic basis. The interplay between the academic and vocational bases of management education and the complexities of that relationship forms one of the central issues of this study. The dual requirements made of
management education raise questions as to whether tensions are evident in its constitution as a body of knowledge. At its most basic, the dichotomy between academic and vocational could be viewed as corresponding to a divide between education and industry, and between a 'liberal-humanist' view of education as a cultural good and a view of education as an adjunct to the economy (Esland and Cathcart 1981; Moore and Hickox 1999). This study attempts to ascertain whether this division exists and what kinds of disjunction, if any, exist between the worldviews of management academics and management practitioners. While the relationship between the academic and vocational considerations inherent within management education appears as a theme throughout the thesis, it is examined in most detail in chapters two and six. Within chapter six, the views of management academics regarding the interplay between the vocational and academic elements of management knowledge are explored, particularly in terms of the management of self identity and the extent to which any dissonance may be engendered.

A central contention of this thesis is that business schools have become important cultural agencies and intermediaries, particularly over the last two decades, and as such have played an important role in the reconstitution of the public sector, and to a certain extent the reconstitution of society as well. The cultural dimensions of the significance of management within contemporary society are the focus of chapter four. Management has become increasingly professionalised and was placed by successive Conservative governments throughout the late 1980s and 1990s at the vanguard of social and economic restructuring and reform (Pollitt 1993; Marquand 2004). As discussed in chapter four, the development of 'managerialism' has become
central to the regulation and control of public service institutions and those working within them, deriving from New Right ideologies of marketization, accountability and the requirement on the public sector to demonstrate ‘economy, efficiency and effectiveness’.

The state-sponsorship of management within both the public and private sectors and the priority given to it by the state, raises questions about the extent to which this has contributed to the expansion of management education, and the relationship between management education and the development of ‘managerialism’. According to Deetz (1992b), an increase in the influence and importance of management may be identified in the spread of a managerialist discourse into areas well beyond the spheres of business and industry. The widespread use of managerial discourses and practices, particularly within the public sphere, has led some to refer to the existence of a ‘managerial state’ (Esland 1996; Clarke and Newman 1997). It is suggested within this thesis that it may be possible to consider the expansion of ‘management’ as indicating the advent of a ‘managerial age’, characterised by an orientation to the world based upon an instrumental rationality. Through the imposition of order, the world becomes objectified and thus available for use, calculation or control (Heidegger 1977; Kallinikos 1996). In an increasingly risk-averse world (Giddens 1990; Beck 1992), it is possible to view the use of managerial practices and discourses outside of an organisational context as an attempt to seek greater security through ordering practices, to generate certainty and control of the world (Foucault 1977; 1979; Dillon 1996; Kallinikos 1996). Within this thesis, ‘management’ is conceptualised more broadly than as just an assemblage of tools and techniques.
The massive expansion of business education and training that has occurred during the past two decades may be taken as an indication of the cultural, political and economic significance of the practice of management in Britain today. The manner in which management knowledge is constructed, the forms it takes and the ideologies it favours have enormous implications for British institutions, particularly given the emphasis now placed upon the practice of management within public sector services, such as education and health. This thesis attempts to examine the factors shaping knowledge about management practice, the assumptions underlying this knowledge and the reasons why particular conceptions of management prevail over others; it does not however attempt to assess the extent to which elements of management practice 'work' or otherwise.

Since the early origins of management education, a vast body of literature concerning both the discipline of management and the role of the business school has become established, much of it produced by business school academics. A large proportion of the literature is concerned with 'how to manage' and the issues and problems which beset managers. The institutional, cultural and social significance of business schools and the knowledge produced and transmitted within them has occupied only a small area of sociological research. Elliott (2003) notes that little attention has been paid to how the relationship between management academics and practitioners may influence what comprises management knowledge.

The provision of management education and training may be divided into that which is largely funded by employers and tends to be referred to as 'management
development', and 'management education' which is funded by the state through the university sector (Willmott 1994). The focus of this research is the provision of postgraduate and post-experience management education, specifically Masters of Business Administration programmes. The MBA has been chosen as a case study to represent the activities of business schools, as for many business schools, the MBA programme constitutes their most prestigious product. The MBA offers the business school both academic status and credibility within the business community (Golzen 1995). While not as profitable as many short executive management programmes, the MBA is also seen as an important revenue generator (Miller and Money 1990). The facts that all business schools offer an MBA programme and that there is a significant amount of agreement as to the content of an MBA programme make it simpler to develop conclusions about the nature of management knowledge. Although the content of a typical MBA programme is analysed in detail in chapter five, it must be acknowledged that there is some diversity between institutions' programmes, and that the knowledge contained within an MBA programme is not entirely representative of the body of management knowledge as a whole.

The study of management has produced a relatively cohesive body of knowledge, the primary function of which is the provision of principles, techniques, processes and explanatory frameworks for managers to assist them in the practice of managing. As organisations and the environments within which they operate have become more complex over time, so management knowledge has become more diverse. According to one of its critics, management knowledge claims a value neutrality that derives from its insistence that it is providing tools and techniques for managers to use
The emphasis upon the technical nature of management education also aims to confer upon it a scientific credibility (Alvesson and Willmott 1992). Indeed, the study of management is often referred to as a science, as may be seen in the titles of management journals such as *Management Science* and *International Journal of Management Science*. Management knowledge derives its authority from claims that it works; it assumes an objectivity, arising from its concern with external facts (Willmott 1990). Yet many areas of management knowledge are informed by social science disciplines such as economics, sociology and psychology. The debates and critiques which have been prevalent within sociology particularly since the 1970s concerning the validity of scientific or positivistic knowledge within social science have only really been discussed within management literature since the 1990s, and even then, it may be argued, only on the periphery. The epistemological foundations of management knowledge and the influence of critiques of positivism are discussed further in chapter seven.

Chapter one attempts to outline a number of conceptual frameworks which may contribute to an understanding of the role and position of the business school. Unlike many other areas of sociological endeavour, there is no 'theory' of the business school. The various analytical frameworks used to inform this study are drawn from a number of different areas, due partly to the fact that business schools sit at the centre of a nexus between the state, the economy and the education system. Consequently, this study draws upon conceptual configurations from political economic analyses of education and training; from debates regarding the nature of work and employment; from political, economic and cultural formulations exploring
the nature of modern capitalist societies; from post-structural theories about the
nature of power and knowledge; and from phenomenological analyses of processes
of knowledge construction.

The intention of this thesis is to suggest possible ways in which business schools
may be understood theoretically and to set out future avenues for exploration.
Within mainstream sociology, both in the sociology of education and the sociology
of work and employment, there is a fairly limited literature concerning the business
school in terms of its cultural, economic, political and educational significance.
Much of the discussion of both the role and the output of business schools has been
generated within the business schools themselves. One possible reason for this is
that many social scientists have found themselves working within business schools
due to decreased levels of social science funding, consequently producing a body of
literature influenced by sociological and political theory (Grey 1998). Although a
significant segment of the literature regarding business schools and management
education and training does take account of wider sociological issues, much of the
remainder tends to be largely self-referential.

There are three strands of analysis underpinning this thesis: the history of business,
the history of management education, and the sociology of both. `Management' may
be conceptualised as an occupation, a mode of organisation, a functional rank, in
terms of its education, and in terms of its institutional apparatus, that is, organisations
such as the Institute of Management. Although this thesis is largely concerned with
management education as a body of knowledge, social, economic, political and
cultural factors all impinge upon the analysis and contribute to a fuller understanding of the role of the business school.
Management as a defined organisational function emerged with the establishment of the first factories during the late eighteenth and early nineteenth centuries. Early forms of business administration were largely a matter of the institutionalisation of routines as defined by the owner. Throughout the nineteenth century, with advances in machine technology and increases in productivity came an expansion in the numbers employed. The supervision of workers directly by the owner became more difficult, generating a need for additional supervisory personnel and a consequent shift in administrative practices. It was not until firms had grown in both number and size that their administration came to be seen as a contributory factor in the success or failure of the enterprise. By the mid-nineteenth century, a number of industries comprised institutions large enough to generate significant management issues (Tillett et al 1970).

During the early twentieth century, problems common to firms regardless of sector started to be discussed and there began a widespread exchange of ideas between Britain and the United States. With the industrial advance of the United States came a greater interest in American management practices within the UK. With the exception of Seebohm Rowntree and those involved in the establishment of the field of Operations Research, the early management writers were largely American. Although the factory system which spawned the practice of administration evolved
during Britain's Industrial Revolution, 'management' as an occupation distinct from ownership, was largely an American construct.

Management practices have changed as organisations have evolved (Locke 1996). The standardised, high volume production system, exemplified by the assembly line, required a different form of management from the manufacturing processes which existed previously. The process of industrialisation has been characterised as a shift from the craft labour tradition whereby workers were individually responsible for production, to managerial control of the work process, resulting in a displacement of meaning for the worker and a commodification of both the product and the process of labour (Braverman 1974).

It was largely the work of F.W. Taylor, an engineer, at the turn of the century that resulted in management becoming more formalised. Although a number of the concepts Taylor utilised were part of a body of ideas current in the nineteenth century, he himself was responsible for popularising them. Taylor applied administrative theory to workplace practices, analysing jobs and dividing them into their constituent tasks (a process which has echoes in contemporary competences) in order to identify more efficient and cost-effective methods. He also developed incentive pay schemes and introduced standard cost accounting and budgeting techniques. The increased use of standardised techniques and processes resulted in the restructuring of organisational time and pay rates, thereby allowing output to be more efficiently organised. Taylor advocated a separation of the conception and execution of work as one of the main principles of a well-run organisation. His ideas
have been extended and modified, and applied within a range of factory workplaces and persist to a certain extent in line and staff hierarchies in contemporary organisations. Indeed, the processes of standardisation and the division of tasks which characterise Taylorism may be identified as being central to Ritzer’s McDonaldization thesis (Ritzer 1993).

Taylorism brought with it “a ‘science’ based upon a moral claim: managers, because they are experts, exercise legitimate authority over those who work” (Locke 1996: 20). Under ‘scientific management’, the worker became an essentially passive object of knowledge, to be controlled through the technologies of the workplace. According to Miller and Rose (1990), Taylorism was a programme which involved the alliance of macro-political ambitions and scientific expertise: increased national competitiveness and wealth were sought through the deployment of rational and efficient techniques to achieve the best use of the resources available.

Chandler and Redlich (1961) view the development of corporate management as a distinct stratum emerging in response to technological demands. They proposed a threefold typology of organisational structural development, from ‘single product, single function’ firms, to ‘single product, multi-function’ companies to the ‘multi-product, multi-functional’ organisations now common in the 21st century. Although Chandler and Redlich saw these organisational types as separate developmental stages, these forms coexist within advanced economies. According to Chandler and Redlich, the three organisational types require different forms of management. The ‘single product, single function’ organisation requires general managers with day-to-
day responsibility for operational units and a central office concerned with organisational decision-making. The ‘single product, multi-function’ company is more complex in that it has increased administrative needs in terms of marketing and procurement. The ‘multi-product, multi-function’ organisation requires a divisional structure in order to organise the manufacture and marketing of a number of products, with each division having a full range of functional departments: purchasing, manufacturing, sales, finance and marketing. The head office is then responsible for corporate strategy.

With the shift towards large shareholder-owned corporations came an emphasis upon financial management rather than product management in the manner of Taylorism. This led to a more prominent role for managerial accountants, auditors and accountants. The human relations movement of the 1920s and 1930s attempted to introduce a different style of management. Under Taylorism, “the rhetoric of bureaucratic control conflates management as a moral order with management as a technical-scientific order” (Anthony 1977: 52), whereas the human relations movement emphasised a more psychologically-informed method of management.

**History of management thought**

Prior to the end of the nineteenth century, there had been little public discussion of organisational and management practices. The development of a business press provided the forum for the discussion of management issues. Writing moved from case studies and individual investigations to more general systematised principles
(Tillett et al 1970). Although accountants and engineers provided a substantial contribution to management thinking in that they provided information to increase management control, these roles were only concerned with discrete areas of the organisation rather than with the coordination of the organisation as a whole. Both the US railway system\(^3\) and the armed forces, as large scale organisations in need of complex coordination and control, had a significant influence upon early management thought.

In his historical account of the relationship between management and higher education, Locke (1989) traces the development of management as a discipline. Prior to the establishment in 1881 of the first business school at Wharton in the US, management as a discipline did not exist. Although early business curricula at Wharton featured some academic subjects, they did not appear to have any practical application for the purposes of management. Business school curricular material was derived from business rather than any university-based knowledge, and was essentially descriptive. Locke contends that it was the introduction of scientific models and theories into management knowledge that transformed management into a discipline with academic foundations. He argues that prior to the application of science to managerial problems, a gulf existed between the higher education system and the vocational practice of management. The use of science-based disciplines to address management issues created a connection between academic theory and management practice.

\(^3\) Due to the way it developed, the rail system in the UK gave rise to problems of organisational coordination from the 1920s on, much later than the US which faced these issues towards end of the nineteenth century.
Locke (1989) details the various contributions to the evolution of management knowledge. The development of mathematics and in particular statistical analysis for the purposes of management had a significant impact, in that aspects of organisational practice were able to be interpreted as abstract variables which could then be categorised, measured and compared. Likewise, the development of neoclassical economics provided a theoretical foundation for the practice of management. The neoclassical economic emphasis upon the individualistic pursuit of utility maximisation combined with a view of the economy as a self contained rule-based system of exchange which tends towards equilibrium, provided rational models upon which to base understandings of the firm. Locke claims that it was not until the development of managerially relevant algorithms, such as linear programming and game theory during the 1940s, that neoclassical economic theory and econometrics became of practical use to management. The applied sciences also directly influenced management knowledge largely through the application of engineering processes. The scientific management movement largely developed through the work of such engineers as Taylor in the US (as noted above), Fayol in France and Schlesinger in Germany. Engineers were also responsible for the use of linear programming techniques in processes of production and from the 1950s in marketing and financial analysis.

---

4 The simplex linear programming algorithm was developed in 1947 by the Rand Corporation for the US Air Force; game theory was introduced by Emile Borel in 1921 and its economic implications were expounded in 1944 by von Neumann and Morgenstern (Locke 1989).
5 Econometrics is the fusion between statistics, mathematics and neoclassical economics.
The development of operational research from 1941 on also had a significant impact upon the discipline of management. According to the British journal *Operational Research Quarterly*,

Operational Research is the application of the methods of science to complex problems arising in the direction and management of large systems of men, machines, materials and money, in industry, business and defence. The distinctive approach is to develop a scientific model of the system, incorporating measurements of the factors such as choice and risk, with which to predict and compare the outcomes of alternate decision strategies or controls. The purpose is to help management determine its policy and actions scientifically.\(^6\)

Operational research developed a number of techniques to deal with production and distribution problems. The focus shifted from separate functional areas to the organisation as an integrated whole, influenced by mathematical decision modelling. The various functional areas of management also influenced each other with techniques developed for one field being applied to another.

The application of scientific techniques and knowledge to managerial issues did not go uncontested however. The appropriateness of mathematical models for the description of organisational realities was questioned, as was the practical effectiveness of operations research, particularly from the late 1970s on (Locke 1989)\(^7\). The utility of neoclassical economics for managerial purposes has also been critiqued for its inability to successfully predict macroeconomic trends: econometric

---

\(^6\) The quote may be found in any copy of the journal.

\(^7\) See Locke 1989: 30-1 for a number of references.
models tend to work most efficiently in cases where the future resembles the past. But the greatest challenge has arisen from questioning the appropriateness of the scientific method itself for the study of social processes and practices. Locke (1989) notes that mathematical models are obliged to omit data relating to social or cultural factors, thereby rendering the conclusions generated incomplete. The influence of social scientific knowledge upon the development of management as a discipline has placed constraints upon the extent of the links possible between science and the study of business. Whitley (1984) notes that the aim of the 1950s to develop an integrated and coherent ‘science of management’ has not ultimately come to pass.

The social sciences, particularly psychology and sociology, have had a substantial impact upon management knowledge. During the inter-war period, a shift occurred in management thought with the recognition of the economic advantage of inculcating loyalty in employees through the use of human relations styles of management (Rose 1989). The Hawthorne studies\(^8\), which were carried out between 1927 and 1932, countered a number of the assumptions underlying scientific management. According to Locke (1996), a view of the organisation as a social system comprising informal as well as formal relationships emerged which challenged the neoclassical economic conception of the individual as motivated purely by economic factors. The new approach to employee management was associated particularly with the work of Charles Myers (1927) and the National Institute of Industrial Psychology (Miller and Rose 1990). Implicit within the human relations movement was the attempted alignment between the requirements of

\(^{8}\) A series of studies were carried out by Elton Mayo, Fritz Roethlisberger and William Dickson at the Hawthorne Plant of the Western Electric Company.
production and the motivations and needs of workers. According to Rose, "The language and techniques of human relations were thus one element in the managerial claim to a specific knowledge base for its expertise.... Management could represent its authority as neutral, rational, and in the worker's interest" (1989: 73). Despite the largely economic rationale underlying the human relations movement, the linking of the inner and personal lives of individuals with the organisation and wider society resulted in a new conceptualisation of the worker that was no longer purely economic.

Social scientific knowledge came particularly to the fore within management from the mid-1950s in the Human Relations Movement. The corporatism of the 1960s with its emphasis upon interventionist economic policies was reflected in the Human Relations Movement's discourse of consensus and cooperation. Psychological insights led to a focus upon worker motivation and fulfilment of potential. With the harsher economic conditions of the late 1960s and 1970s however came a movement towards more authoritarian styles of management, particularly with the increase in industrial unrest.

Grey et al (1996) note that although management knowledge draws upon social scientific concepts and methodologies, it is still largely underpinned by the basic assumptions of positivism, a legacy of the influence of scientific and engineering disciplines upon management. Functionalism has provided the dominant theoretical framework for management knowledge, focusing upon possible modifications to the design of organisational structures or processes, or changes to external factors in
order to improve the situation of an organisation. From the 1970s onwards, the influence of sociologists taking a more critical or post-structuralist stance has led to the development of a significant body of work within management knowledge concerned with questioning the ontological and epistemological foundations of much management research and practice. Informed by scientific principles, positivistic research assumes a direct correspondence between the forms of representation used and the ‘objective’ world. The view that the application of science to the problems of management is able to generate true, value-free knowledge has been comprehensively critiqued, for assuming a political neutrality, for its lack of acknowledgement of the influence of the interpretative framework of the author or the context within which the representations of reality are constructed. The epistemological basis of management knowledge is discussed more thoroughly in chapter seven.

The popularisation of such forms of knowledge as sociology, psychology, organisation theory and operational research has provided a foundation for both understanding and teaching management. The credentials which have been created by business schools on the basis of such knowledge have provided criteria of eligibility for accessing managerial jobs (Thomas 1985). The development and gradual acceptance by business of management credentials for the purposes of recruitment represent a shift from the particularism of work experience within an organisation to the universalism of academic forms of knowledge.

9 For critiques of positivism see for example Bernstein 1976, Feyerabend 1988
History of management education

The MBA originated in the US, with the term being used within management education from the 1960s. According to Hoskins (1990), management education developed at the West Point military institution and then through the development of the Pennsylvania railroad in the mid 19th century. Although Wharton Business School was established in 1881, followed by Harvard (1908) and Stanford (1925), concerns over the quality of management education led to the publication of two reports in the 1950s (the Carnegie Report and Ford Report) which recommended changes to the curriculum (Porter and McKibbin 1988). The American Assembly of Collegiate Schools of Business (AACSB) which accredits business schools was responsible for implementing the changes. It was in the 'standards' for the Masters courses in management introduced by the AACSB in 1961 that the MBA was first referred to (Currie and Knights 2003).

As discussed in chapter two, although a 'management movement' emerged in the UK during the 1920s and 1930s (Child 1969), it was only from the 1960s on that management education formed a significant part of the business agenda. Management education had been in existence within the UK from 1945 with the establishment of Henley Administrative College, followed by the emergence of a number of other independent management colleges, but only became the focus of a concerted drive to expand provision to develop managerial skills during the 1960s. The economic interventionism which characterised the post-war period contributed to a climate in which both government and business appeared to be well-disposed
towards encouraging the education and development of managers. Reports published
in 1963 by the National Economic Development Council (NEDC), the Robbins
Committee and Lord Franks, and the formation of the Foundation for Management
Education in 1960 by a group of industrialists led ultimately to the establishment in
1965 of postgraduate business schools at London and Manchester Universities,
funded by an industry/government partnership.

While the business community appeared to be in favour of the private sector
provision of management education on offer, it was more ambivalent towards
provision within the state sector (Thomas 1980). By 1969, over thirty universities
were offering postgraduate courses in management (Wheatcroft 1970). The view of
business was largely that the courses were too academic and rather than providing
training for middle managers were focused upon the production of young qualified
managers. Business wanted to be able to retain its gatekeeping role, rather than
relinquish it to the universities. Throughout the 1970s and 1980s, university
business schools were subject to periodic criticism, to which business schools made
limited attempts to respond. While economic factors became a greater consideration
within educational policy and debate during the 1970s, it was not until the late 1980s
that significant changes within management education occurred. In 1987, two
Reports were published which are widely thought to have encouraged the subsequent
expansion of management education and development: the Handy Report and the
Constable and McCormick Report. Both of the Reports, in addition to highlighting
the inadequacy of existing provision in that many managers received no formal
management training, made a number of recommendations for improving the quality of management education within the UK.

The Cannon Working Party Report (1994) found that management education provision had increased substantially, largely fulfilling the recommendations of the Reports. In 1986, 1200 students graduated with an MBA in the UK (Handy et al 1988), which had risen to around 10,000 graduating students by 2000 (Association of Business Schools 2001). During the past two decades, there has been a massive expansion both in the provision of management education and the demand for it, from undergraduates, postgraduates and also experienced managers. The history of management education and the factors affecting its development are explored more thoroughly within chapter three.

Theoretical framework

Theoretically, this thesis draws upon a variety of areas. ‘Management’ has a number of different dimensions: it may be considered as an organisational role, an occupation, a mode of organisation, as a field of knowledge, or as an educational sector. While the primary focus of this research is the role of business schools in the construction of management knowledge, the sources of this knowledge, the political and economic influences upon its construction, the uses to which it is put, and the social and cultural significance of both its content and utility, all intersect with the role of the business school. Management is considered as an orientation to the world rather than purely as a collection of administrative techniques, which is characterised
by a calculative, quantitative, instrumental rationality that bestows an objectivity upon all things through the imposition of order and the judgement of things in terms of their use value (Kallinikos 1996; Heidegger 1977). As such, rather than drawing upon a particular theoretical tradition or range of concepts, this study is informed by a number of different analytical perspectives; as Ball puts it, “bringing to bear those concepts and interpretive devices which offer the best possibilities of insight and understanding” (1994: 2).

In exploring the links between the expansion of management education and the institutional and cultural restructuring of the state presided over by the New Right, this thesis applies a number of levels of analysis. While the analytical level does broadly move from the political and economic to the cultural, the organisational and then the epistemological, there is a certain degree of overlap of these areas. Although these analytical areas are interconnected, Clarke and Newman point out that “each level of theory, on its own, tends to bracket off other levels” (1997: xii). Despite the apparent theoretical compartmentalisation, there is an attempt throughout to acknowledge the influence of these various arenas upon each other.

Although this thesis constitutes an attempt to bring elements of these different approaches together, there are theoretical spaces or explanatory gaps, where the analysis shifts from one level to another. The different layers of analysis are treated similarly in terms of levels of importance. A possible disadvantage of attempting to analyse the political, cultural and organisational significance of an entire social institution is that depth may be sacrificed for breadth.
Business schools occupy a position at the interface of two of the most significant sectors of modern Western capitalist societies – the economic and the educational systems. A large quantity of theoretical and empirical work has been produced around these areas with a significant amount concerning the relationship between the two. One starting point for this research may be considered to be the current debates pertaining to post-compulsory education and training. Debates regarding the relationship between the educational system and the economy have been ongoing since the late 19th century (Williams 1961). However it is predominantly since the 1970s that intervention in the supply-side of the economy, specifically the provision of education and training, has become seen as desirable by successive governments (Moore and Hickox 1999). The influence of particular ideological assumptions and policies upon the workings of the educational system has been the subject of substantial political and sociological analysis (see Keep 1989). Discussions of the relationship between education and the needs of the economy also tend to be closely tied to considerations of vocational qualifications, which since the 1980s have been linked to the competence movement (Bates 1999).

The political emphasis upon vocational education and training and the need to expose the educational system to the values of business throughout the 1980s and 1990s, has been reflected in the development of a political discourse of business and commerce. Closely linked to this has been the state-sponsored promotion of management. The managerialising of the public sector, the renewed focus upon vocationalism and the emphasis upon efficient management as a panacea for a
number of economic ills has clearly resulted in a convergence of interests around the expansion of management education.

The term ‘managerialism’ refers to the application of private sector management techniques and ideologies within the sphere of the public services (Pollitt 1990; Cutler and Waine 1994; Clarke et al 1994). The premise underlying the organisational and cultural changes introduced under a putative managerialist agenda is that the key to greater efficiency and cost-effectiveness within the public services is more effective management. Courses pertaining to the various areas of public sector management appear in a number of MBA programmes and many public sector professionals enrol upon generic management courses. This raises questions about the extent to which business schools constitute a source of managerialist ideas and discourses. It may be asked, what are the links between the management knowledge current within business schools and the management ideas found within public sector institutions? To what extent do business schools have an influence upon public sector management practices?

According to Deetz (1992b), the increased influence of management may be interpreted in terms of a ‘corporate colonisation of the lifeworld’ in that cultural and institutional forms become progressively subsumed within the logic of capitalism. Mandel (1978) notes that there is an historical imperative for the logic of the market to be extended into further areas of social activity. It is possible to identify this process at work in the manifestation of managerialist practices and discourses in diverse social spheres and in the political attempts to achieve a closer functional relationship between the economy and the educational system.
Winter (1999) argues that the structural changes within the higher educational system may be viewed in terms of a commodification of knowledge, which is occurring as part of the process of industrialisation. A central problematic of this thesis is that knowledge has become progressively more commodified and that the business school presents the site par excellence where this process occurs. By applying managerial concepts to management education, such as 'customers' and 'markets', both the teaching relationship and knowledge itself becomes commodified (Grey and Mitev 1995a). Business school academics often refer to the MBA as a 'product' to be 'sold'. It may be questioned whether this commodification of knowledge exemplifies the Marxian contention that capital progressively subsumes knowledge artefacts for profit.

There have been very few sociological analyses of the business school. This study aims to add to the contributions in this area. Whitely et al's (1981) study of the London and Manchester business schools in Britain and INSEAD business school in France sought to assess the significance of the MBA. Based upon research conducted between 1973 and 1978, Whitley et al analysed the MBA qualification in terms of social mobility by studying the career paths of students. As this research was carried out before the massive expansion of management education during the 1980s, the conclusions drawn by Whitley et al are of limited utility for the purposes of this thesis other than for historical comparison. Locke (1996; 1989; 1984) has produced a number of influential historical discussions of management education. Locke (1996) examines the influence of the US upon management practice and
education. He discusses the involvement of the US in the post-war restructuring of Europe and relates this to the internationalisation of American management knowledge.

In analysing the position and role of the business school within a capitalist industrial society and relating that to processes of knowledge construction, this study has drawn upon both structural and post-structural analyses. In his discussion of educational policy and reform within the UK, Ball (1990; 1994) combines critical policy analysis with post-structuralism and critical ethnography. Although critical ethnography is replaced within this study to a certain extent by a phenomenologically-derived social constructionism, this research aims for a similar confluence.

The structural theoretical resource most drawn upon within this study is a neo-Marxian political economy. While a neo-Marxist orientation is conceptually useful for analysing macro-level political or economic configurations or policies, this form of analysis does not easily extend to such issues as processes of knowledge construction. Although this study attempts to avoid a structural determinism, it is conceptually difficult to fully acknowledge the influence of agency within macro-level analyses; or as Harker and May put it, "to account for agency within a constrained world, and show how agency and structure are implicit in each other, rather than being the two poles of a continuum" (1993: 177). While the progression of policy is not often linear and does involve contestation, analysing the structural results of particular policies or agenda can lead to a simplification of the
accommodation of the processes involved. This is not to say, however, that it is not possible or desirable to analyse policies or political agendas in terms of their ideological influences (Ball 1994).

In attempting to analyse business schools as both professional communities and sites of knowledge production, literature relating to both the sociology of knowledge and Foucault's work concerning the relationship between power and knowledge have been significant. As mentioned earlier, while this study focuses upon the construction of management knowledge - that is, the ideas, theories, frameworks, models and techniques concerned with the practice of managing - there is no attempt to evaluate the utility or validity of particular aspects of management knowledge or practice. Both the knowledge produced within business schools and the practice of management within the workplace are necessarily influenced by their social context.

Although this study adopts a social constructionist viewpoint in relation to the examination of processes of knowledge production, this is combined with structuralist analyses of political economy. These two modes of analysis need not be mutually exclusive: while all social reality is socially constructed, this is not to deny the significance or power of those frameworks and institutions which consequently come to assume an objective facticity that is taken for granted (Berger and Luckmann 1967). Knowledge does not merely reflect objective facts, but processes of knowledge construction are constitutive of the reality knowledge is said to 'represent' (Knorr Cetina 1983). The social, political and historical context in which knowledge is produced influences what is discovered, developed and taken for
granted as valid knowledge. Pre-existing frameworks of interpretation, as shaped by various contextual, cultural and normative assumptions, necessarily affect processes of knowledge construction (Kuhn, 1970, Hanson 1969). Management knowledge does not just provide an interpretive framework for managers, but also contributes to the institutionalisation of economic activity through the shaping and controlling of human conduct (Berger and Luckmann ibid). The epistemological foundations of management knowledge and processes of knowledge construction are discussed in detail within chapter seven.

Foucault's conceptualisation of the interplay between power and knowledge provides a useful augmentation to political economic arguments regarding the role of the state in the promotion of management and business schools. Although as Ball (1994) notes, structural and post-structural theories of power, knowledge and the role of the state do not fit easily together, both theoretical orientations provide illuminatory concepts which may be applied to an understanding of the significance of business schools. While Foucault's concept of 'governmentality' has some similarities with the Marxian understanding of ideology, it is underpinned by a differing interpretation of relations of power. For Foucault, governmentality is the operation of disciplinary power through particular ways of knowing. According to Deetz (1992), understandings of ideological power are hindered by the assumption that it is created by dominant external forces, which contrasts with Foucault's conceptualisation of disciplinary power as being inseparable from and integral to knowledge, rather than directing it. Governmentality is contingent upon the structuring of knowledge for the
purposes of regulating, supervising and governing specific groups of individuals: knowledge is necessary to the operation of disciplinary power.

The Foucauldian concepts of 'discourse', 'regimes of truth' and 'technologies of power' also provide useful additions to neo-Marxian understandings of power and knowledge. These concepts may also be considered as being not too discordant with social constructionist analyses of knowledge. For Foucault, discourses are "practices that systematically form the objects of which they speak... they constitute them and in the practice of doing so conceal their own invention" (1977: 49). The process that Foucault describes may be seen as having echoes in the concept of reification. Discourses not only order the possibilities for thought and speech, but also who is so authorised to do. Although discourses are concerned with language, they also extend beyond it to shape consciousness. As Ball notes, "we are the subjectivities, the voices, the knowledge, the power relations that a discourse constructs and allows" (1994: 22).

Taking a Foucauldian standpoint therefore, the state may be considered to comprise a number of discourses, rendering the operation of power more diffuse and localised than is commonly understood within structuralist analyses. The manifestation of these discourses within different domains, while having systemic effects, need not from a post-structuralist point of view necessarily have systemic causes. Also pertinent to an understanding of political policies and agendas is the concept of 'regimes of truth'. Regimes of truth are configurations of knowledge which allow particular assertions to operate as absolute truths: the distinction between 'true' and
'false' limits the discursive possibilities for interpretation (Smart 1986). This raises the question of whether management knowledge may be considered to have enough discursive closure to operate as a regime of truth. What is at issue is the status of the claims as knowledge. Foucauldian analyses of workplace practices and the relationship between management and governmentality are discussed largely in chapter four which focuses upon the cultural significance of the business school. Foucault's concept of governmentality has been applied to analyses of both managerialism and Human Resource Management.

In discussing the theoretical contributions to this thesis, it is important to make a distinction between the theoretical traditions and concepts which this research draws upon and those providing a source for analysis - that is, the knowledge which constitutes the field of management. The MBA programme provides the primary source of analytical material and its content is discussed in detail in chapter five. As previously noted, the MBA was chosen for the purposes of this study to represent the activities of business schools, as it comprises the main focus for many, both in terms of the provision of revenue and as a source of credibility. While many inferences may be drawn regarding the nature of management knowledge from the content of the MBA course, the body of management knowledge is much broader and diverse than is reflected within MBA programmes. As discussed above, the disciplines informing the development of the field of management knowledge vary widely, from maths to sociology, from psychology to economics. There are a number of different sets of theories or 'families of ideas' which offer conflicting knowledge claims, but which are still part of the normal management studies curriculum (Huczynski 1994).
Although much management knowledge has been produced both by the business academy and by business consultants, a substantial area of knowledge is derived from the sociology of work and organisations. The field of organisation studies (as it tends to be referred to), being an area of sociology, has therefore been used within this study both as a theoretical resource and an object of analysis: while organisation studies offers much in the way of useful analyses of work and organisations within industrial capitalist societies, they also inform understandings of the role of managers and the practice of management commonly used within business schools. However, while classic texts and concepts, such as Weber's theory of bureaucracy, do appear within management courses, many of the more sociologically-informed or critical analyses tend to be restricted to appearing within academic management journals rather than teaching texts.

The more sociologically-derived analyses of management practice which have emerged from within business schools tend to treat management as both a social and political practice, being concerned with asymmetrical power relations and discriminatory practices within organisations. Such analyses, while often emerging from a variety of philosophical orientations, (i.e. Marxist, post-structuralist or feminist positions) not only offer critiques both of management and of many of the issues concerned with the practice of management, but also question the epistemological basis of much management theory. These various approaches have tended over the past decade to be labelled 'critical management studies'. Interestingly, those analyses which tend to be considered 'critical' within
management studies, would be regarded as 'normal' sociological analyses. The relationship between what may be considered to be mainstream 'managerialist' management knowledge and 'critical' management knowledge (Grey and Mitev 1995a) is discussed further in chapters six and seven. Although the more critically orientated analyses of management practice have been produced by business school academics, thereby rendering them source material to be analysed, as sociological critiques, they are also valuable as contributions to any debate concerning the social, political and cultural significance of the business school.

The business school is not only a locus for the construction and dissemination of management knowledge, but also encompasses professional communities. Through interviews with a number of academics, this study attempts to understand the influences upon and values implicit within the processes of knowledge and course construction. As Pollitt notes "...social theorists commonly seek to understand bodies of thought and practice by relating them to the motives and interests of their proponents" (1993: 111). The interviews constitute a source of data regarding the range of value systems and work-based identities existing within these academic institutions. A number of business school academics have had prior occupational roles within industry, but equally, many are from a purely academic background. This gives rise to questions regarding whether possible disjunctions between academic and business worldviews exist at the discursive level of the individual. The interplay between academic and business value systems leads to a consideration of possible implications for the management and negotiation of work-based identities and the potential creation of any cognitive dissonance.
Methodology

The central aim of this research is to explore the relationship between the expansion of management education and the growth in the political and cultural significance of management from the late 1980s on. While it is too large a task to analyse all aspects of the context within which management education has developed, this research attempts to identify some of the dominant influences contributing to the expansion and the factors shaping what is taken for granted as valid knowledge within business schools. The intention is to provide a sociological analysis of business education and the dominant managerial discourses, values, ideologies and agenda endorsed by it, which have become prevalent in current employment practices within the UK.

Most of the research upon which this thesis is based was carried out in the late 1990s. Although there has been some attempt to bring the thesis up to date, this is still more of an historical rather than contemporary analysis of management education within the UK. The thesis focuses upon the period of large-scale expansion of management education which occurred from the late 1980s on and traces its influence until around the end of the century. At the same time, since many of the New Right reforms introduced during this period have had consequences which continue to be experienced now, this research may still have some relevance.

The data which forms the foundation of this study is derived from a number of sources. The modes of data collection that have been used are linked to the
theoretical framework employed. There has been an attempt to combine elements of structural, post-structural and phenomenological forms of analysis in order to try to fully understand this particular institution. The analytical level shifts over the course of the thesis from the political and economic to the cultural, the organisational and then the epistemological, although there is overlap. This was not a deliberate strategy but rather what emerged through the process of attempting to understand the various contributory factors involved in the expansion of business education and how business-related discourses have come to be used within widely differing spheres. As noted above, in moving between different levels of analysis, based upon varying types of data, some theoretical disjunctions and explanatory spaces are apparent, and possibly inevitable.

At a macro level, a political economic theoretical framework has been drawn upon to inform a structural analysis of the business school in relation to the shifts which have occurred within the global economy, the use by the New Right of management for ideological political purposes, and its relationship with the ostensible requirements of British capitalism. As such, the data underlying these analyses comprise primary sources such as governmental White Papers and other policy documents, and publications by such bodies as the Trilateral Commission, as well as secondary sociological and political analyses.

In relation to business schools in particular, substantial amounts of demographic data exist which have been collated by the schools themselves, often for the purposes of quality assessment, and also by bodies such as the Association of Business Schools
and the Association of MBAs. Some data can also be derived from the promotional literature business schools publish, such as prospectuses.

Although quantitative data has been used to inform an examination of the expansion of business education, this study also incorporates more qualitative elements. In moving from the large-scale sphere of political and economic policies and agendas towards the cultural, organisational and epistemological, there is a shift in both theoretical and methodological terms. At the heart of the study is a concern with the processes of knowledge construction and the constraints, influences and interests involved in shaping what is accepted as knowledge. In order to analyse the ways in which management knowledge is constructed, the forms that it takes, and its cultural significance, this thesis has been informed theoretically by work done within the sociology of knowledge and by Foucauldian analyses of the relationship between power and knowledge. Much of the data used to assess the cultural significance of management practice, education and discourse is secondary, derived from the relevant sociological literature.

To examine more fully the dominant agendas, discourses and ideologies underlying management theory and practice, some of the texts used within an MBA course were used to inform an analysis of the content of the course. A discourse provides an organised set of statements which relates to a particular domain of knowledge or experience and expresses the meanings or values associated with it. According to Kress, the discourse "organises and gives structure to the manner in which a particular topic, object, process is to be talked about, in that it provides descriptions,
rules, permissions and prohibitions of social and individual actions" (Kress 1989). The deconstruction of management discourses aims to illuminate the relationship between discursive practices, the representations of reality thereby created and the sociocultural, historical and political context in which they occur.

In order to analyse business schools as both professional communities and sites of knowledge production, interviews were sought with academic staff. Interviews were carried out with fifteen academics from four business schools during the summer of 1997. It was decided that to focus the project upon one or two case studies would be inappropriate since this study is not concerned with the workings, the teaching or the academics of particular business schools. Rather, the focus is management education as a whole, and its relationship to management knowledge, practice and ideologies. For this reason, the data from these interviews has been analysed against the background of the broader body of available data about management education. Rather than being confined to a specific chapter, the interview data is used throughout the thesis to illustrate or illuminate particular points.

The business schools were selected in order to maximise the possibility of a diversity of opinions, outlooks and worldviews among the academics. All four were AMBA accredited, so as to tap into currently influential definitions of what constitutes a valid management syllabus. Accreditation criteria cover, among other things, the number, experience and quality of business school staff, the content and methods of assessment of the curriculum, the size of the student body and the facilities available to students. Below, the features of each business school are outlined:
• Business School A is situated in the south of England and operates independently of any university, although it has degree-conferring status. It offers only post-experience courses which come in a variety of formats: distance learning, full-time, part-time, modular and executive courses, which if required are able to be tailored to the needs of particular clients.

• Business School B is also in the south of England but is attached to a university. This business school also only offers post-experience courses, but tends to focus upon distance learning.

• Business School C is located in the north of England and is attached to a university and offers undergraduate, postgraduate and post-experience courses. In addition to the mainstream management courses on offer, this School also provides a ‘critical management’ course.

• Business School D is likewise situated in the north of England and possesses similar characteristics to C, although does not have a critical management course.

The selection of particular academics for interview was not done on a random basis, but was guided by a number of criteria, among which the current position, role and background of the academic were considered to be key. It was felt to be important to achieve a range of viewpoints and angles from the various academics rather than to strive towards a level of ‘representativeness’. In three of the business schools, contact was first made with the academic with responsibility for research (identified by the secretary for the MBA programme) who was then asked if he (they were all male) could identify other possible candidates for interviewing. It was felt that an academic occupying this position would understand what the research was trying to achieve and would be more likely to be able to help. In the other two business schools, contact was made directly with the three academics who were eventually
interviewed. They were chosen on the basis that they professed themselves to be of a more critical orientation. It was hoped that these academics would be able to give an insight into business school practices and agendas from a slightly different political standpoint.

The interviews were all of between an hour and an hour and a half in duration, and were conducted on a semi-structured basis. It was felt than a structured interview would place too many constraints upon the interview and the information that was received, and that the data would be unacceptably influenced by any prejudices or assumptions held by the interviewer. Equally, a completely unstructured interview, whilst useful for in-depth analysis of individuals’ life experiences, was considered to be inappropriate for the type of data sought and would be unacceptable to busy academics. The questions asked were fairly open-ended and centred around a number of different topics. The questions differed slightly for each interviewee depending upon their particular role and background: whilst there was a core of questions that was the same for each respondent, other questions were added on a relatively ad hoc basis according to the academic’s area of expertise.

The interviews provided by the various academics constitute primary data concerning their views upon course content, pedagogical processes, academic and commercial considerations and expectations and issues of identity management or negotiation. As such, the interviews were treated both as a source of information, suggesting new avenues for exploration or confirming existing factual knowledge,
and more critically as data, to be analysed as potential enunciations of the dominant discourses and agendas which prevail within the business school.

Given the breadth of the area this research aims to cover, there are necessarily constraints upon what could be achieved. The central focus of the research was business schools and the academics within them. The efficacy or otherwise of management practice per se (i.e. whether particular management tools or techniques 'work') has not been addressed within this study. Another area which has proved beyond the scope of this research is the effectiveness of business schools in terms of knowledge transference. It was decided that to interview MBA students would alter the nature of the project and would generate data in excess of what would be able to be dealt with within the time limit. The quantification of cultural products and their effects is almost impossible and, some may argue, undesirable. To attempt to measure in some way the knowledge which business schools produce and attempt to transmit to students would be to misinterpret the nature of cultural artefacts. The discourses of management reach far beyond individual students, and indeed are common currency in many spheres of life.

It is acknowledged, however, that the learning process does not consist of a linear transference of knowledge from the teacher to the learner. Many processes of negotiation, evaluation and accommodation are involved in any learning situation and to assume that any student takes away and uses any knowledge, information or techniques wholesale would be naive. Clearly the issue of the relationship between theory and practice is a pertinent one and one that this thesis cannot claim to fully
resolve. The conclusions drawn within the thesis relating to the applicability of what is taught within business schools are based upon the interviews with academics. The client-driven nature of management education means that a close relationship between what is taught and what is utilised or is considered to be useful within a managerial context is necessary: for a business school not to address the 'use-value' of a course would be to leave itself open to accusations of 'lack of relevance'. For this reason, a certain degree of correspondence is assumed between the discourses evident within management education and those used within management practice.

The relationship between discursive practices and the sociocultural, historical and political context in which they occur is of great theoretical relevance in analysing how particular ideologies are manifested and contribute to the legitimation and maintenance of various power relations and structures of domination. Social reality is created and sustained within specific cultural milieux: reality depends upon and is constituted through language. A dialectical relationship exists between language and society, in that language use is not only shaped by the social, but is also able to shape it, in both creative and conventional ways. Texts, as an element of social action, both draw upon the resources provided at the level of the social structure and contribute to the constitution of the social structure (Fairclough 1992). It is through language that meaning is constructed and negotiated, and whether manifested in written or spoken discourse, necessarily involves the operation of forms of power. Ideological power is essentially the power to define particular social meanings, and if it is successful these are then accepted as universal and perceived as 'natural' or given. Ideologies are both constructed and sustained through language. It is through ideology that
relations of domination are maintained. Different social groups differ in their
capacity to mobilise particular meanings in their interests. As meaning is never fixed
or absolute, ideologies are always concerned with the securing of meaning for the
purposes of the maintenance of power.

It is possible to analyse texts in terms of ideology, since it is within texts that
ideologies may be considered to be objectified, in the sense of being spatially and
temporally 'held', to the extent that anything that exists at the level of consciousness
can be objectified. However, identifying certain aspects of a text which may be
considered to have ideological properties, whether within the vocabulary, generic
structure, or in the cohesiveness or coherence of the text, inevitably involves a
process of creative interpretation of possible meanings. Ideologies cannot be
considered as objectively present within the text, able to be read off. In order to
realise the ideological content of a piece of text, it is necessary to refer to the social
and political context from which it emerges.

The social and historical relativism emphasized by hermeneutics extends to the
position of the researcher who as an historically produced entity must acknowledge
his or her own biases and must take into account contextual issues and the
relationship between context and theory when interpreting data. Given that this
thesis is concerned with the construction of knowledge, it would be naive not to
recognise that the knowledge claims made here are subject to the same processes of
interpretation and cultural and political influence as those being studied. As a white,
middle class, female researcher, I obviously 'speak' from a particular cultural
standpoint which inevitably influences my framework of understanding and the conclusions which I draw as a result.

Conclusion

In the UK and the United States, countries where a more individualistic form of capitalism is embraced, management has great prominence (Hampden-Turner and Trompenaars 1993). In the ‘social market’ type economies of continental Europe, there is not the same emphasis upon management practice and education. Most European business schools tend to cater for an international rather than domestic market. Although to a lesser extent than the US, British capitalism has come to be centred around the individual, as customer, as worker, and particularly as shareholder. Until the 1970s, British capitalism was characterised by a more collectivist culture. The discourse of consensus was reflected in trends in management knowledge. The rise of the Human Relations movement indicated a more cooperative approach to management. The advent of the economic crises of the 1970s and the subsequent rise of the New Right led to more confrontational styles of management practice.

Since the late 1980s on, there has been a massive expansion in management education within the UK, with business schools generating millions of pounds in revenue, and making them collectively among the top fifty UK earners of foreign revenue. In examining the cultural, political and economic significance of business schools within the recent history of the UK, there are two main loci of investigation.
The first part of this thesis looks at the institutional importance of business schools and the external influences which have shaped the structure of management education. The second part looks at the content, the construction and the status of the management knowledge which is current within business schools.

During the 1980s, the emergence of a political agenda surrounding the belief in effective and efficient management as a route to economic regeneration resulted in a political requirement for improved education and training for managers. The promotion of the practices and discourses of management within the private sector, combined with the structural changes within the public sector introduced during the Thatcher and Major administrations (and continued by Blair), creating not only the conditions for the growth in management education, but also a demand for it. The changes both in the specifications of British capitalism and in the business education sector were the direct result of state intervention to address a number of governmental concerns. There was greater political emphasis upon ‘education for capability’ or competence and a promotion of business studies at all levels within the educational system. A corresponding cultural shift was also presided over, with an emphasis upon the enterprise economy, self-improvement, and competitive individualism. ‘Management’ constitutes an important area of practice where a number of these issues become manifest.

It is possible that the market for management education has become saturated and that the demand for it has peaked. The discourses, values and agendas favoured within Anglo-Saxon forms of management education (that is, those prevailing within
the UK and the US) also have international implications. A number of business schools promote British management education courses elsewhere in the world: Western management science appears to have become a tradable commodity. Although it is not possible within this study to examine whether Anglo-Saxon management discourses are able to be disseminated or accommodated within other cultures, globalisation literature suggests that although the imposition of US influence may not be entirely successful, its management discourses aspire to be international.

The processes whereby management knowledge is constructed are complex and diffuse. The nexus of business expectations, organisational practices, the prior experience and knowledge of management students, and the current knowledge and interests of academics leads to processes of mutual negotiation as to what constitutes valid management knowledge. Management qualifications provide certification and validation of the learning experience, which in order to have legitimacy in terms of status, need to be academic. There is also a requirement for management knowledge to be grounded in the lived experience of management practitioners in order for it to be considered appropriate by managers. There is a source of possible tension therefore, not between the academic and vocational bases of management knowledge, but between the requirements of accreditation and the outcome negotiated between academic and practitioner as to the agreed basis of management knowledge.
The intention of this thesis is not to produce a narrowly deterministic analysis of the role business schools play in the service of capital, but rather to attempt to trace the networks of influence and to deconstruct the dominant discourses which currently prevail within management education. As a sociological analysis, management is considered as a particular form of knowledge production and validation. It is important to acknowledge that the knowledge produced and disseminated within business schools is not necessarily carried forth into the workplace. Elliott (2003) notes that there is little in the way of empirical research regarding the actual use within the workplace of those management theories and techniques which have been taught.

There is also debate within the literature regarding the extent of the influence managers have both in an organisational context and within society as a whole. Central to ‘labour process’ analysis is the belief that managers act, whether intentionally or otherwise, in the interests of capital. Managers are therefore agents of capital to the extent that they ensure the ‘productive subordination of labour’ (Willmott 1984). Willmott (1994) however points to the contradictory nature of management in that managers tend to be both ‘subjects and objects of corporate control’. However, critics argue that the knowledge claims of management have a hegemonic power. As Jackson and Carter note, “industries are run down, jobs exported, unemployment increased, on the authority of such knowledge claims, and their influence extends far beyond the confines of industrial organisations, penetrating deeply into the system of governance itself” (1995: 197). This raises questions as to the extent to which management knowledge has contributed to certain
working practices and patterns of employment, such as greater job insecurity or longer working hours. The privileging of managerial interests over the interests of other classes of workers within management education necessarily implies a partisanship. Given the potential influence of managers as a social group, it is important that management knowledge claims be problematised. As Grey and Mitev (1996) point out, regardless of whether or not managers are able to manage the world, the consequences of the belief that they can ‘remains an irreducible social fact’.
Business education has expanded exponentially since the 1980s. The reasons for this expansion and the implications of this are, however, less clear. This chapter deals largely with the economic and political context which has influenced and provided the conditions for the expansion of management education. It is closely linked to the next chapter, in which the history of management education, the various trends, policies and factors affecting both the supply of and the demand for management education, and the shape it has ultimately taken are discussed. While it is too ambitious a project to attempt to give a comprehensive account of the political and economic trends of the second half of the 20th century, which have contributed to the confluence of interests around the expansion of management education, it is possible to identify a number of influential factors.

As was suggested in the previous chapter, management education has its roots in differing spheres, in that it has developed within the formal education system, but also has close links with business and commerce. The evolution of both management education and the practice of management have been influenced by the political and economic circumstances and trends of the past century. The relationship between the political and the economic is a complex one. Both the demand for and the supply of management education have been substantially influenced by a number of political initiatives and policies, many of which have been
claimed by their creators to be in response to, or in recognition of, particular economic circumstances. Management education became firmly established in the UK during the 1960s as the result of moves by the government of the time to enhance the effectiveness of British industry and in response to calls from the business lobby. From the 1960s on, economic factors have progressively become more central to educational policy and debate as intervention in the supply-side of the economy has become ideologically more favoured.

However, it was during the 1980s that the promotion of management became identifiable as an explicit political strategy: it chimed with many of the ideological preferences and political projects of successive Conservative administrations.

Efficient management is the key to the [national] revival... And the management ethos must run right through our national life – private and public companies, civil service, nationalised industries, local government, the National Health Service.

Michael Heseltine 1980, quoted in Pollitt 1993: iv

Good management was held to be intrinsic to industrial profitability and economic success within the private sector. It was promoted as the means by which economic decline could be averted in the face of global change and competition. The Thatcherite project of economic regeneration linked together an emphasis upon raising the status of management with financial deregulation, the promotion of competitiveness and entrepreneurialism, and attempts to downgrade trade union power and influence. Supply-side institutions - those involved with education and
training - were considered to need greater exposure to business values, in order to both make more efficient use of the public funds available and produce a workforce with skills more closely aligned to the economy’s needs.

Alongside the concentration upon enabling and encouraging improvements to be made in the economic effectiveness of the private sector was a focus upon the workings of the public sector. Changes in management practice were also placed at the forefront of the structural overhaul of the public sector that the Government presided over.

The emphasis upon raising the profile of management practice within the private sector and the new managerial requirements introduced within the public sector by Conservative administrations contributed substantially to a demand for management education. The supply of management education programmes within universities also increased dramatically during the 1980s, partly in response to a number of landmark papers identifying a national need for management education, but also partly due to the fact that there was an increasing demand for such courses. The promotion of management as a state-sponsored strategy has clearly been beneficial to business schools and universities, involving a convergence of interests around the expansion of management education.
**Historical economic context**

The economic trends which have characterised the post-war period have had a significant impact upon organisational structures and practices, and the nature of work and employment. The practice and discourses of management, and thus management knowledge and education are also closely bound up with changes in economic conditions. Organisational practices, particularly those of management, are shaped and constrained by both governmental economic policies and the structural economic pressures which inform them. The restructuring of capitalism following the economic crises of the 1970s, the resultant intensification of the processes of globalisation and the changes in international trade are fundamentally tied to understandings of the firm and employment practices.

The shape of the current global economic system may be traced back to the period immediately following the Second World War. Although ostensibly designed to encourage economic interdependence between nations, the establishment of supranational institutions\(^\text{10}\) to underpin the post-war global economy also held the possibility of creating key economic advantages for the US: the aim was “to create an open world economy unified under U.S. leadership that would ensure unchallenged U.S. access to the world’s markets and raw materials” (Korten 1996: 160). While attempting to secure economic benefits, the US also promoted its interests through the strategic dissemination of management ideas and organisational

---

\(^{10}\) The World Bank, The International Monetary Fund (IMF) and the General Agreement on Tariffs and Trade (now World Economic Forum).
practices throughout Europe. As Locke (1996) notes, the US had a significant impact upon management knowledge and education within the UK.

Two of the most comprehensive pieces of work on the history of management education have been produced by Robert Locke (1984; 1996). Locke (1996) attempts to trace the internationalisation of American management knowledge. He acknowledges that prior to 1945, there had been many influential developments in European economic or managerial research, and many Europeans made important contributions to American management knowledge upon emigrating to the US. By the 1940s, however, the influence of the US upon UK industrial management had become significant (Mant 1977). It is Locke's contention that the spread of American management ideas to Europe can be traced back to US involvement in the post-war restructuring of Europe, particularly through the Marshall Plan. The agencies involved in the application of the Marshall Plan were largely headed by American corporate leaders. Within the UK, an Anglo-American Council on Productivity (AACP) was established by the Chancellor of the Exchequer, Sir Stafford Cripps and Paul Hoffman, the American head of the European Cooperation Agency (ECA).

Although money was allocated within the Marshall Plan budget for the transfer of technical and managerial knowledge, American management ideas only spread to

---

11 Locke (1996) cites the example of engineer-economists in France in the 19th century who carried out pioneering work in managerial economics.
12 Hoffman was a former president of Studebaker and the co-founder of the Council for Economic Development. He occupied the top Marshall Plan position as head of the ECA and was in charge of the European Recovery Programme (ERP).
13 Thirty-six million dollars was allocated out of a total budget of thirteen billion (Locke 1996)
Europe many years after the war. According to Locke, there were a number of reasons for this delay. The corporate capabilities of the US were changing rapidly during the period following the war as a result of the developments in computer hardware, business school facilities and research, and scientific systems such as linear programming. The management needs of Europe could only be addressed when American managerial thinking had evolved sufficiently (Locke 1996). The filtering of managerial knowledge from the US to Europe and eventually beyond occurred very gradually, both through government agency initiatives and from the 1960s on, also through the movement of US corporations and management consultancies into Europe. Private organisations such as the Ford Foundation also sponsored the promotion of American management knowledge and practices, at first within Europe and then elsewhere.

Locke (1996) details the initiatives and processes through which the US aimed to pass on American management knowledge to European businesses. All of the agencies which subsequently replaced the European Cooperation Agency had a management development programme funded by the original Marshall Plan budget. Under the Technical Assistant programme, European managers, workers, and specialists travelled to the US in order to learn American business techniques which were then shared through the distribution of reports to management, government and labour groups. The Anglo-American Council on Productivity (AACP) was particularly active, sending 138 teams of people to the US between 1948 and 1952\(^4\). Although other European countries were later in sending personnel to the US, by the

\(^{14}\) Between 1950 and 1951, the AACP teams produced a report a week and sold a total of 600,000 copies (Locke 1996).
early 1950s, the number from each country involved was similar to Britain (Locke 1996).

Locke contends that a second phase of promoting American management ideas within Europe was initiated by NATO (and which occurred during the 1950s and 1960s) as a result of its requirement that the US's European allies be conversant with the increasingly complex military operations systems and weapons being developed. American research on military management problems or operational issues and operations research techniques were propagated internationally through a number of conferences. International meetings were arranged by both American and European Operations Research organisations and were attended by military personnel and civilians alike. Locke (1996) suggests that the shape that management education subsequently took within business schools was influenced by the scientific and military research carried out both during the Second World War and afterwards, particularly the emphasis upon mathematics and statistics. The application of science to war-generated management problems and operational research fed into much of the management knowledge later used within management education programmes.

Locke also attributes the influence of science and mathematics upon management knowledge to the fact that management education programmes tended to be situated originally within departments of industrial administration in engineering schools where there was a familiarity with mathematical modelling and statistical analysis. The expansion and movement of management education into business schools in the
US during the 1950s and 60s meant “business schools radically upgraded admission standards in mathematics and introduced mathematical models and statistics into behavioral science, traditional functional management (marketing, finance, etc.), general management, and decision science courses” (Locke 1996: 28).

According to Locke, the third element of the drive towards transferring American management knowledge to Europe came in the form of management education. Although there had been some initiatives to promote American management ideas, the ultimate aim was to remodel European institutions of higher education along the lines of American graduate schools of business administration (Locke 1996). During the mid to late 1950s, the EPA\textsuperscript{15} arranged for European academics to attend management courses at US universities, sponsored European summer schools in management and organised a number of international management conferences. Within the UK, the first business schools were consciously modelled upon the Harvard Business School. A number of French institutions of higher education (\textit{grandes ecoles} of commerce) introduced American-style management education reforms\textsuperscript{16} during the 1950s and 1960s and INSEAD (which operates outside of the French higher education system) was established in 1957. The French also set up a foundation\textsuperscript{17} in 1969 for the purpose of educating future and existing academics in management at US business schools. Similar reforms also occurred within other

\textsuperscript{15}\textit{Locke does not detail what the acronym stands for.}

\textsuperscript{16}\textit{Such as HEC (Ecole des Haute Etudes Commerciales), ESSEC (Ecole Superieure des Sciences Economiques et Commerciales) and ESCP (Ecole Superieure de Commerce de Paris). Both the HEC and ESCP are now accredited by the Association of MBAs – see Appendix I}

\textsuperscript{17}\textit{The Fondation Nationale pour l’Enseignement de la Gestion (FNEGE) or National Management Education Foundation (Locke 1996).}
European countries. It is Locke's contention that the US influenced European management educational reform at every level.

Locke believes that a further strand of influence was the post-war development of management journalism within the US which accompanied the transfer of management ideas to Europe. Although business and industrial journalism had been present throughout Europe for some time, none of the European journals specifically catered for the needs of management. The US business press "broadcast the ideology of the new 'managerial' class and in effect helped itself to create the class" (Locke 1996: 50).

The propagation of American management knowledge and practices within Europe during the post-war period clearly constituted a deliberate strategy. It may be questioned whether there was a conscious attempt by the US to bring about a hegemonic capitalist world system, but the will to promote and protect American interests both in terms of trade and ideologically, in the light of Cold War threats, appears to reflect that aim. Although there was a desire to share what they regarded as their superior knowledge with their European allies, the US also wished to create favourable trading conditions and generate support and legitimation for their aims with their coalition partners.

It has been disputed whether the US has had as great an effect upon European management thought and practices as claimed by Locke (Milward 1984, Kuisel 1981), which he acknowledges. Although American management ideas have been
influential, particularly until the 1980s when the US manufacturing sector began to be challenged by the Pacific Rim countries, European economic and organisational culture has not provided an especially fertile ground for these ideas to take hold. Locke (1996) provides an account of organisational practices in Germany and Japan, which he claims differ significantly in both style and content from those of the US. Britain is the country where American management ideas have had greatest impact, due to the absence of any language barrier and to politically-nurtured ideological similarities. The number of business schools within the UK substantially exceeds the number of business schools across Europe as a whole.

Organisational and managerial practices within the UK during the post-war period were founded upon a mass production-mass consumption economy (Meegan 1988), underpinned by Keynesian economics. The Keynesian political consensus which prevailed during this period was characterised by an acceptance of workers' rights, the necessity for welfare provision, some intervention in and regulation of labour markets, and the protection of some areas of national life from market forces (Marchak 1991). The fragmentation of the stability of the post-war period and the subsequent end of the post-war settlement towards the end of the 1960s, had a profound effect upon the shape of the UK economy and organisational practices and strategies.

The saturation of consumer goods markets exacerbated the economic crisis, making it harder for mass production economies to increase through the expansion of

18 Thatcherism involved the disarticulation of this consensus and its commitment to the Welfare State, restructuring the economy instead along neo-liberal lines.
existing, domestic markets (Piore and Sabel 1984). The rapid development of many Third World countries, mass-producing goods for export, and competitively undermining their Western counterparts, also contributed to the loss of markets. The resultant ‘stagflation’ during the mid-1970s placed a premium upon creating a competitive advantage in the transnational economy, which large corporations often sought through either conglomeration or multi-nationalization (Piore and Sabel 1984). A number of companies diversified, with either new concerns being created or mergers taking place with existing concerns, to provide some protection against the increasing uncertainty of the international economy. Others multi-nationalized though, considering risks to be potentially cumulative rather than insulative, and moved production to other countries to cut costs and create easy access to their domestic markets.

As organisations have evolved, management practices have also changed (Locke 1996). The standardised, mass production systems, exemplified by the assembly line, tend to be associated with the Fordist management practices promoted by Taylor. Increased competition, market volatility and technological change have led to a gradual shift in employment practices among British employers since the 1970s, with the aim of achieving greater flexibility and responsiveness to changing economic conditions (Atkinson and Meager 1986). The late 1960s and early 1970s was a period of private capital investment in new technology, in order to increase organisational flexibility. Technological advances have enabled the integration of production, distribution and marketing (Phillimore 1989) and a movement away from mass production techniques to those of niche marketing. There has been much
debate in the relevant literature as to whether the shift towards more flexible employment practices may be considered to be a manifestation of post-Fordism or would be better viewed as neo-Fordism (see Avis et al 1996; Brown and Lauder 1999). Post-Fordism tends to be associated with more liberative working practices and is characterised by the flexible specialisation of the workforce (Piore and Sabel 1984; Pollert 1988; Tomaney 1990), operating within a high-skills, high-trust economy (Finegold 1993; Cassels 1990). Neo-Fordism however is characterised by a culture of working relationships which is derivative of Fordism. There are some writers, however (see Ritzer 1993), who argue that Fordist management practices and the rationalisation and economies of scale afforded by them are in fact becoming more prevalent within contemporary society, with the increase in call centres and fast-food restaurants.

Throughout the 1980s and 1990s, the increased use by companies of part-time, temporary, short-term contract or casual workers in response to market fluctuations led to a rise in job insecurity, thus placing a premium upon individual skills and training. The corporate need for economic efficiency manifested itself in the introduction of new, labour-saving technology, enabling companies to reduce their labour costs: technological advances have resulted to a certain extent in labour market changes. Economic competition and the drive by companies for greater efficiency have often led to a desire for greater flexibility in staff: success is believed to lie in the ability of companies to develop flexible workforces in which individuals are able to adapt to changing career structures, job specifications and work locations (Atkinson and Meager 1986). The word ‘flexibility’ has featured
fairly prominently in employment-related discourse, and which has manifested itself within organisations over the past two decades in strategies of ‘downsizing’ and ‘delayering’. New technology and global competition have resulted in a premium being placed upon greater efficiency, with better management being widely touted as providing the key to increased competitiveness and greater productivity.

Globalisation and the New Right

By the mid-1980s, both the UK and the US had governments which were influenced by what came to be known as the ‘New Right’. Derived in part from the theories of Hayek and Friedman, the rise of New Right thought was intimately connected with the restructuring of the global economy that occurred from the mid-1960s onwards (Marchak 1991). The pursuit of economic modernisation and the focus upon labour-market reforms by the Conservative governments of the 1980s arose ostensibly through the need to respond to problems generated by processes of globalisation. British business was perceived to be failing within the global economy, and a number of areas were highlighted as having the potential to increase its competitiveness. The relationship between managers and employees was considered to be weighted in favour of the workforce due to the power of the trade union movement; the financial system was thought to be too heavily regulated, thus restricting the free movement of capital; and the education system was believed to be overly influenced by the values of those professionals working within it rather than those of business, resulting in a workforce lacking in the skills necessary to succeed in industry.
There has been a clear political strategy to locate post-compulsory education and training policy and practice within the agendas and discourses surrounding economic globalisation, and an emphasis placed upon individual responsibility for involvement in a competitive global economy. Reference to globalisation and the economic requirements of the UK featured within education and training policy documents and debates from the mid-1970s on. As Gray notes, however,

In fact globalisation can mean two very different things. It can mean simply the spread of modern industrial production throughout the world – an unstoppable historical process that has been going on for generations but which has accelerated in recent decades. When it is used by political and business leaders, however, globalisation usually refers to something else – worldwide economic deregulation and the universal reach of the Anglo-American free market. In this latter sense, globalisation is not an inexorable historical trend. It is a neoliberal political project.

Gray 1998

The second interpretation of ‘globalisation’ is significant because much of the current discourse about the future of work is predicated upon an acceptance of the prevailing international political-financial system. During the 1980s, the New Right ideology and political agenda had some influence on most of the world’s governments, particularly the emphasis upon labour market flexibility and financial deregulation. The main strands of New Right thinking involved a commitment to free enterprise and laissez-faire economics, and a desire to reduce the involvement of the state in the provision of welfare.
The ideological basis of the New Right developed into a programme of reform which was characterised by the privatisation of national industries and services, financial and labour market deregulation and an attempted diminution of the state's involvement in welfare to lessen the financial burden of the welfare state. Many commentators have identified two ideological strands within the New Right theories which underpinned Thatcherite ideas, those of neo-liberalism and neo-conservativism (Johnson 1991). The themes of organic Toryism - social order, authority, tradition, and consensus were revived and combined with the neo-liberal emphasis upon freedom and the market. As Gamble (1988) notes, a strong state was perceived to be essential for the smooth running of a free market: market relations were considered to need protection from possible destabilising forces. So the withdrawal of the state from some areas of national life was also accompanied by the centralisation of power in others (Gamble 1988).

Following the end of the post-war boom and the consequent rise in unemployment from the 1970s on, addressing the 'needs' of the economy became a high priority, with changes to the supply of labour to the economy being situated at the forefront of discussions and analyses. The solution to the social and economic impact of the global market was considered to lie in the skills and education of the workforce, providing the key to increased industrial profitability. The education system received much attention during the Thatcher administration, and was subject to a wholesale restructuring and reorganisation with the needs of the economy in mind to a great extent. The changes which have occurred within education from the mid-1980s on have been more extensive than any since the 1940s.
The 1988 Education Reform Act represented the culmination of New Right thought about the structure of the education system, its efficiency and cost-effectiveness and the relationship between education and the needs of the economy. One central element of the 1988 Education Reform Act was the attempt to establish a formal 'market' within education, in the belief that the discipline of the market rather than the central apparatus of the state constituted the most appropriate instrument of renewal for the education system. Neo-liberal arguments regarding the market, however, were subordinated to a certain extent by a neo-conservative concern for educational standards. Through the introduction of market principles into education, students and their parents become consumers 'purchasing' education from different suppliers. The legislation introduced was therefore designed to "put in place a variegated 'supply side' of the educational market" (Miliband 1991).

The tertiary sector was also affected by these changes and was subject to the progressive marketisation of educational discourse which occurred throughout the successive Conservative administrations. The introduction of elements of the discourse of business and the market into an area in which it was previously absent was not merely a consequence of the structural and policy changes initiated, but may be considered to have been a strategy in its own right: policy changes were conceptualised in terms of this discourse. Discourses can be active agents in social, political and cultural change, rather than merely reflecting it. The links between discursive, ideological and social power tend to be obscured within the operation of everyday reality, providing a mechanism for the operation of hegemony. Thatcherism has been discussed in terms of a struggle for hegemony (Hall 1988) and
the implantation of a new orthodoxy. Discursively, this was realised to a large extent in the conceptualisation of various policy areas in terms of the economy.

Business schools were essential to the Thatcherite project of creating a closer correspondence between the education system and national economic requirements. Education and training, the nature and organisation of employment and the political agenda and policies pertaining to these two areas are closely connected. The political context of the last twenty years has emphasised both the economic benefits of education, linking it to international competitiveness, and the rights of the consumer within an individualistic society, leading the career prospects of the individual to be seen as being integrally linked with education.

This ideological terrain, combined with specific institutional and financial arrangements in universities, has tended to benefit management education, which can lay claim to validity on both these criteria. However, this claim is again contingent on the continuation of theoretically justified and empirically supported functional links between management education, the effectiveness of management practice and the performance of individual managers.

French and Grey 1996

Within Britain, management training and management more generally were promoted extensively by the Government throughout the 1980s and 1990s, as a tool for achieving international competitiveness and efficiency, both directly through the installation of various management strategies and practices within the public sector, and indirectly through grants and the funding of research concerned with business practices and management. A lecturer from Business School D points out that the
Research Assessment Exercise, which was established partly to create greater accountability within the university sector, could be seen as being linked to economic strategy: "...you could read RAE from a governmental point of view, as being a disciplinary exercise and seeking to force academics to be productive, but it is also part of this idea of trying to bring education into line with the training and knowledge and research needs of the UK economy" (Lecturer, Business School D). Attempts to foster a closer degree of synchronicity between economic performance, management practice and business education constituted a key area of the New Right's programme of economic reform.

Relationship between education and the economy

The emergence of management education within the UK may be seen in the context of a long-running trend within educational policy to attempt to achieve a closer alignment between educational provision and the needs of the economy. Since the early 19th century, debates on education have been characterised by conflicting opinion as to the purpose of education (Reeder 1979; Williams 1961) which may be considered to loosely coalesce around two positions: the 'liberal-humanist' view of education as a good in and of itself, and the 'vocationalist' view of education as an adjunct to the economy (Esland and Cathcart 1981).

According to Reeder, a 'recurring debate' about the relationship between education and the economy has tended to resurface at times of economic instability. Periods of economic restructuring such as the 1880s, 1920s, 1960s, 1970s and 1980s have also
been characterised by an increased emphasis upon industrial relevance within educational debate and the political reports of the time\(^{19}\) (Reeder 1979). In each of these periods, the belief that a mismatch between the requirements of the economy and the workings of the educational system had been a contributory factor in economic decline, has led to educational expansion and change (Moore and Hickox 1999).

A common thread that unites these expansionary periods is the association of expansion and change with a perceived need to raise the general skill level in society in order to improve economic performance and international competitiveness. Hence waves of expansion and curriculum change in education have tended to be associated with vocationalism and with criticism of the established institutions and forms of educational provision.... [However] expansionary phases take place within differing economic and political contexts and the ideological rationales for expansion and the criticisms of the received educational order vary accordingly.

Moore and Hickox 1999

The pursuit of ways in which education and training might increase economic advancement has been a significant organising framework for educational policy in both Labour and Conservative administrations since the late 1950s. Many educational developments may be attributed to the promotion, whether explicit or otherwise, of 'industrially relevant' education, such as the creation of 'civic universities' at the turn of the century, colleges of advanced technology in the 1950s, polytechnics in the 1960s, and City Technology Colleges in the 1980s. The

\(^{19}\) Such as the Report of the Royal Commission on Technical Instruction (1884) which recommended an increase in scientific and technical teaching; the Balfour Report (1929) which argued that the new demands upon management as a result of the economic restructuring during the 1920s were such that graduates were needed within industry; and the Robbins Report (1963) which recommended the expansion of higher education and the establishment of two business schools.
establishment and subsequent expansion of management education may be seen in this light.

Industrial interest in educational provision is of long standing, although management education only really became an issue for industry from the 1960s onwards. Industrial support, both practical and financial, had been an important precondition for the establishment of most of the 'civic' universities in the latter part of the 19th century. These colleges offered degree level studies in industrially relevant subjects, particularly those with local or regional connections. In addition, a number of organisations have been established over the years to promulgate the views of employers in terms of their expectations of the education system: the Association for Education in Industry and Commerce was founded in 1919, the British Association for Commercial Education in 1931\(^2\), and the Confederation of British Industry was formed in 1964.

It was during the 'Great Debate' after 1976 that industrial interests became increasingly influential. As a response to the economic crisis of the mid-1970s, the Labour government of the time sought to redirect educational priorities, with Callaghan's Ruskin College speech in 1976 marking the end of the social democratic consensus on education (Donald 1979). Prior to this, economic development was linked with increasing educational levels rather than the content of education. Influenced by 'human capital theory', any measures to make education more

\(^2\) The Association for Education in Industry and Commerce and the British Association for Commercial Education merged in 1934 to become the British Association for Commercial and Industrial Education.
'relevant' to the world of work were located within a wider educational framework. Any problems substantiating the connection between educated labour and economic growth did not appear to impede industrial and governmental commitment to the concept (Becker 1994; Blaug 1987).

During the 1970s however, economic considerations became more pronounced within educational policy and debate. Britain's educational system was criticised by such institutions as the International Monetary Fund (IMF) and the Organisation for Economic Cooperation and Development (OECD) for not better aiding economic policy (Moore and Hickox 1999). Industrialists such as Weinstock (1976) and Methven (1976) argued that the education system focused too heavily upon the academic and was too inflexible to respond adequately to the requirements of the industrial sector. A Department of Industry (DI) paper *Industry, Education and Management* published in 1977 attributed the UK's poor economic performance to negative cultural attitudes towards industry: courses of study and careers in management were considered unattractive options. A decade before the Handy and Constable Reports reached the same conclusion, the DI paper noted that "while academic training does not, in itself, produce a good manager it is disquieting that there is evidence that industrial managers in Britain... tend to be less well qualified in academic and vocational terms than their continental counterparts". The paper was critical of the fact that the lack of interest on the part of universities in vocationalism had led to a proliferation of professional groups as qualifying bodies rather than a single organisation.
Since the 1970s, successive administrations have placed a far greater emphasis upon the contribution education should make to the successful workings of the economy. It has been the intention of successive Conservative governments from 1979 on, and the Labour administrations since, to realign the education system with the needs of the economy and relegitimate corporate capitalist values both within education and wider society. The Thatcherite development of a political discourse of business and commerce gave new impetus to the cause of the 'industrial trainers' (Williams 1961). Economic deficiencies have become personalised, being interpreted as a lack of skills and motivation within the individual rather than as having a systemic cause (Ball 1990; Stronach 1988).

Throughout the 1980s, business education underwent massive expansion, either with new business schools being set up or existing management departments being enlarged and redesigned. Business schools and economic research were fostered through governmental funding strategies. Cash-starved universities were encouraged by the Government to raise revenue from the private sector and to cultivate links with industry: business schools were seen by universities as an important potential source of revenue.

The expansion of management education has not however been embraced uncritically by all involved: there have been tensions between business and education providers over the content, the form and the purpose of management education since its inception. These tensions again run along the dichotomy between 'liberal-humanist' and the 'vocationalist' positions, and echo the debates within
education as a whole. At the heart of these conflicts may be considered to lie the question of whether management education should be for or about management. It should be noted however that 'industry' is not a homogeneous entity and the concerns of one sector may not reflect those of another. Equally, many educationalists see no conflict between academic and commercial considerations, regarding the question of whether their management programmes will appeal to students as unrelated to their degree of academicism.

Although there are many statements by industrialists about their views or demands of education it is difficult to assess the actual influence of industry upon educational policymaking. Although a simple 'correspondence' between the education system and the economy cannot be assumed, the development of management education may be considered to spring from the same impetus that seeks greater industrial relevance.

The professionalisation of management

As can be seen from earlier sections, the development and expansion of management education may be viewed in terms of progressive attempts to professionalise management. Until the 1980s, business did not appear to make great use of management credentials in the selection of managers.
Writing in 1981, Whitley et al noted that

The continued reluctance of the business world to accept wholeheartedly the verdicts of the educational system, coupled with the fluid nature of managerial ‘careers’, suggests that the correspondence between the hierarchy of educational certificates and the positions of power and privilege in the occupational system is less direct than some advocates of the credentialing thesis have implied.

According to the Learning and Skills Council (2004), more than 40 per cent of managers were qualified only to NVQ level 2 and below in 2003. As previously discussed, business was responsible for the identification and recruitment of those individuals believed to be suited to a managerial career and was unwilling to relinquish this ‘gatekeeping’ role to the universities. The acceptance of management credentials by business was thought to involve the loss of control over the interfirm mobility of managers, being replaced instead with the recognition of a transferable symbol of competence (Thomas 1985).

The New Right project of economic regeneration during the 1980s, coupled with the ideological emphasis upon individualism and consumer choice, contributed to the development of the view within business that individuals should be able to gain management credentials if they wished, thus benefiting both the individual and the company. Prior to the commissioning in the mid-1980s of the Handy and Constable/McCormick Reports on management education, the belief that the repositioning of management practice and education would be economically and politically advantageous was already current. The subsequent expansion in the
demand for and supply of management education, coupled with the popularity of the MBA within US companies, has resulted in a widespread acceptance and recognition of management credentials. Although the state, through the medium of business schools, is able to develop management qualifications, it is not possible to ensure their recognition by business, unless the business community is willing to acknowledge them (Thomas 1985). In the case of the Management Standards which form the basis of the National Vocational Qualifications and Scottish Vocational Qualifications (NVQ/SVQ) in Management, the business community was consulted extensively and involved in the development of the qualifications throughout the 1990s.

One of the underlying intentions behind the establishment of the Management Charter Initiative in 1988 was the professionalisation of management, based upon a hierarchy of qualifications leading to chartered management status. Elliott (2003) argues that unlike medicine or law, management is not 'professionalised', in that there is no imperative for specific qualifications or training. Management also does not have a foundation of basic, undisputed knowledge, unlike as with medicine (Whitley 1984). The diversity of management education programmes available may be seen as reflecting this lack of specificity. Managerial identity and purpose also tend to be shaped within organisations rather than through affiliation with occupational associations (Reed and Anthony 1992). Business schools, however, have attempted to promote the professionalisation of the managerial function and their own role as central to this: management is able to be taught, learned and then applied by qualified practitioners. The assumption that management education
provides a function for managers "is predicated on a model of professional training in which there exists a body of knowledge which is understood to be central to effective practice" (French and Grey 1996: 3).

The professional status and expertise of managers is thus considered to be based upon an area of knowledge called management, with the MBA representing the codification of that knowledge. The emphasis upon certification has enabled management to become somewhat more professionalised, allowing managers to become ‘qualified’ in line with other more traditional professions. Mintzberg (1989) notes however, that a formal education in management is not considered a prerequisite for practising management by employers, and it is not clear that a trained manager is more effective than an untrained one. According to Dingwall and Lewis (1983) however, a profession is more than an occupation, rather being part of a particular network of social and economic relations. Management knowledge, as a social product, reproduces and constitutes a particular social order. Although the lack of ‘closure’ around management leads it to be what one business school academic21 interviewed referred to as a ‘quasi-profession’, the fact that management education in general and the MBA in particular aims to confer educational licensing upon practising managers raises questions about what comprises the body of knowledge and skills considered necessary for managerial practice and how it is arrived at. This issue is particularly pertinent when considering the epistemological underpinnings of the Management Standards, created under the aegis of the Management Charter Initiative (MCI). Although the professionalisation of management through the establishment of chartered status has been largely

21 Lecturer, Business School D.
unsuccessful, the creation of Management Standards has been of influence, particularly through the promotion of the concept of ‘competency’.

The Competence Movement and vocationalism

In tandem with the promotion of management as a source of economic rejuvenation, there was also renewed emphasis by the Government upon vocational education and training throughout the 1980s and early 1990s. Vocational training policy had come to centre around the concept of competency by the mid-1980s, as may be seen in the Governmental publications of the time. Although competence-based approaches exist in the US, Australia and New Zealand, it is only within the UK that an entire framework of qualifications has been developed and defined in terms of competence (Bates 1999). The National Vocational Qualification system, encompassing both National Vocational Qualifications (NVQs) and, since 1991, General National Vocational Qualifications (GNVQs), has been the main locus of the competence movement (Gleeson & Hodkinson 1999).

Burgoyne (1993) describes the ‘competence movement’ as “a set of beliefs and practices about how education, training and development can and should be organized in a vocational and work context, with particular emphasis on the definition and achievement of purposes”. A key assumption underlying the competence movement is that training and development may be linked more closely

---

22 The term ‘competence’ was adopted in The Review of Vocational Qualifications (MSC/DES, 1986) and was further endorsed in the White Paper Working Together, Education and Training (DoE/DES, 1986). These papers were pivotal in developing a new system of vocational qualifications (Bates 1999).
with, and therefore made more relevant to, work by defining its purposes more accurately. The political rationale behind successive administrations' support for the competence movement is that competencies constitute a means of improving the efficiency and skill-base of the labour market, and consequently performance of the economy. Competencies are considered to be a means of rectifying market inefficiencies in supply and demand by better matching people to available jobs. Antonacopoulou and FitzGerald (1996) note that the use of competencies is able to benefit organisations by illuminating the cost-benefit relationship between training and job performance: the costs of training may be controlled through focusing upon development of the required skills and behaviours. The De Ville Report published in 1986 set out to simplify and standardise vocational qualifications. Standardisation and 'cost-effectiveness' have been important factors in the competence movement.

A number of institutions are involved in the promotion and application of a competence-based framework of qualifications within the UK: the QCA (Qualifications and Curriculum Authority)\textsuperscript{23}, its Scottish counterpart SCOTVEC and the MCI (Management Charter Initiative), which is concerned solely with managerial qualifications. The MCI was established in 1988 as the operating arm of the National Forum for Management Education and Development\textsuperscript{24}, with the purpose of campaigning for better management training and development and increasing the profile of management education more generally. The MCI states as its aim the

\textsuperscript{23} The Qualifications and Curriculum Authority took over responsibility for National Vocational Qualifications (NVQs) in 1998 from the National Council for Vocational Qualifications (NCVQ) which was set up in 1986 for the purpose of creating and developing NVQs and establishing a competence based framework within which to locate them.

\textsuperscript{24} The Management Charter Initiative was originally established by the Council for Management Education and Training which later became the National Forum for Management Education and Training.
raising of the quality of managers in order to improve the economic performance of UK companies. The MCI developed as a result of positive employer response to the Handy and Constable/McCormick Reports. Although it was established by employers as an independent body, the Government charged it with both the development and the promotion of national Management Standards for which it receives some government funding. The MCI liaises with the Confederation of British Industry (CBI), the QCA, SCOTVEC, awarding bodies such as the MVC, universities and colleges, professional institutes, government departments, and lead bodies and industry training organisations in other sectors, to promote the use of the Management Standards.

The Management Standards form the basis of the National Vocational Qualifications and Scottish Vocational Qualifications (NVQ/SVQ) in Management and constitute a skills-based, competence approach to management practice and management education and training. The managerial knowledge promulgated by the MCI through its Management Standards, is largely derived from an analysis of ‘best practice’ rather than with reference to management theory. The stated purpose of the Management Standards is to provide a yardstick against which to measure managers.

The Management Standards were developed as a result of consulting over six thousand practising managers as to the constituent parts of their jobs and cover four management levels - supervisory, first line, middle and senior - and four managerial functions - financial management, information management, human resource management and operations management. The Standards provide a detailed checklist
of the activities carried out and skills required for what is defined as 'good' managerial practice at a particular level. The intention is that Management Standards can either be used by individuals to judge their performance and ascertain any training or development needs, or by organisations to measure their level of management skills and identify any gaps, to ensure staff are meeting operational requirements, or to incorporate into existing human resource processes, such as recruitment and selection, appraisal and promotion criteria, and training programmes. Although the MCI’s proposal for a hierarchy of qualifications leading to chartered manager status has largely failed, the development of a competence-based approach to management has been more successful (Thomas and Anthony 1996).

The concept of competence has, over time, acquired a fairly specific meaning within education and training discourse. It refers not merely to the ability to do something, but to a model of education based upon the dissection of a job or role. The main features of a competence-based approach are a prior analysis of the constituent functions of an occupation, the translation of what is to be learned into performance criteria or training outputs, and the assessment of the outcomes of learning in terms of behavioural objectives. Competence-based assessments emphasise the instrumental value of knowledge: knowledge tends to be considered in purely utilitarian terms. Among the MCI guidelines defining competence are:

- Competence is the ability to perform the activities within an occupational area to the level of performance expected in employment.
- Competence is an action behaviour or outcome that can be demonstrated, observed, and validly, reliably and objectively assessed, or the demonstrable possession of underpinning knowledge or understanding.
• Standards of competence, which form the prime focus of training and the basis of vocational qualifications, are based on the needs of employment. Competence – the skills, knowledge and levels of performance relevant to the work activity – must be assessable and endorsed by the relevant employment sector or profession.

As noted by Thomson et al (1997) above, although many companies do define their management training needs in terms of competences, business schools are less inclined to do so. However, one business school academic, when discussing whether management education can actually be linked with any economic improvement, suggests that,

…it is one of the things that management development has worked harder on in the last 10 or 15 years, and that’s what the competence movement’s been all about. We try and work on the output end of what it is that business schools contribute, as opposed to simply focus on the input in terms of the knowledge people ought to be given: focus on what it is they can achieve having been given that knowledge. Not least of the reasons for doing that in turn was that you roughly found that often the knowledge you were selecting was not the knowledge they needed to improve their outputs, and that of course concentrated the mind wonderfully.

Director of Programmes, Business School A

Grey et al (1996) however note that teaching and research is increasingly conceptualised in terms of its ‘relevance’ in response to pressure from institutions and the government which leads to a temptation to emphasise the acquisition of competences.
Although the concept of competence was initially linked to the NVQ framework, the competence movement has moved beyond those boundaries to be used within the workplace as a means of human resource management. Competence-based criteria are used to measure both individual and organisational performance and to assess internal skill requirements. Bates suggests there is a need "to view the arrival of competence-based pedagogy as epiphenomenal, as a surfacing in education of deeper changes in structures and processes of social control over work and training and as a means of synchronising these historically separate spheres" (1999: 105). The influence of the competence movement upon workplace practices is discussed further in chapter four.

The influence of New Right politics has had the effect of promoting utilitarian conceptions of education. The dominant feature of vocationalism over the past two decades is that the gap between practice and knowledge about that practice becomes 'closed'. Vocationally-sourced knowledge helps to reinforce the legitimacy of that practice. Practice is privileged and knowledge which sustains and enhances that practice is seen as having more relevance and salience than other sources of knowledge which might challenge or question the basis of that practice. Willmott contends that "without an effective critique of its approach to education, there is the prospect of the competencies philosophy that currently dominates the sphere of 'development' becoming increasingly influential within higher education" (1994: 108).
Conclusion

The expansion in management education within the UK occurred at a specific time and under particular conditions. It may of course be argued that this could have occurred regardless of the context. However, the socio-economic conditions were such during the 1980s and early 1990s that not only was the supply of post-compulsory management education and training favourably predisposed towards increasing, but a substantial demand was also generated for it. The economic context in which management education has developed is significant, as changes in the nature of work and working practices and in the constitution of organisations, which have occurred as a result of both global and national economic restructuring, have impacted upon the job of manager. A range of economic factors has resulted in changes both in the nature of management and in levels of job security, making management education and development desirable for individuals and companies.

Instability within world product markets due to recession, increased competition and fluctuations in demand, and advances in technology have led to a drive towards a greater flexibility in working practices. The conventional rhetoric espoused by companies today is that the business world is becoming an increasingly global and competitive environment, in which commercial success depends upon the ability of business to react swiftly to changing market conditions and consumer demands. The increased use by employers of flexible forms of labour, such as short-term contracts, part-time workers and outsourcing, or even transferring parts of the production process to low wage economies, have resulted in high levels of job insecurity and the
end of the psychological contract between employers and workers (Herriot 2001). The end of a linear career path and the promotion of the individualisation of educational achievement both by successive administrations and by cost-conscious business have led to the belief that business-related qualifications will yield economic benefits to the individual. Workers, now no longer able to rely on full-time, long term jobs (Handy 1985) are increasingly being expected to take control of their own training and development needs in order to place themselves in the best possible position in the job market. The onus is placed upon the individual to continually update their 'portfolio' of skills and subscribe to the belief in life-long learning. Sennett (2006) claims that under the new capitalism, the old values of craftsmanship and achievement have been displaced, leaving workers — professional as well as manual — facing 'the specter of uselessness'.

Management education has undergone two major periods of expansion since its establishment in the UK: during the 1960s, and latterly during the 1980s and 1990s. During both periods of expansion there has clearly been a political will to promote an increase in the provision and quality of management education. During the 1960s, interventionist governmental economic policies and a vocal business lobby combined to create an impetus for the establishment of university business schools. While there was a heightened emphasis upon the industrial relevance of education and a possible mismatch between economic requirements and educational provision during the 1970s, management education did not become a target for sustained governmental attention until the Thatcher administrations of the 1980s. Since the late 1980s, there has been a significant increase in the provision of management education.
As will be discussed in chapter four, management became a key organising framework for a number of political programmes during the 1980s and 1990s, which when combined with the political cultivation of an enterprise culture emphasising work as a route to self-realisation and the individual acquisition of skills and training, resulted in an increase in demand for management courses. Universities responded to the state-sponsorship of business and management education and the subsequent growth in demand for management courses by establishing their own business schools. The provision of management education within the UK has consequently been influenced by the various and sometimes differing expectations of the educational establishment, commerce and successive governments.
Chapter 3  Rise of the business school

In the past, managers relied very little on any specific educational provisions to master the 'art' of management (Thomas 1980). Prior to the Second World War, higher education contributed very little to the world of business and was felt by industrialists to have no place. The qualities of a good manager were considered (and to some extent still are) to be a matter of personality and the result of work-based experience, elements which could not be taught in an academic environment. Business was responsible for the selection and nurturing of managers and those occupying senior management positions considered themselves uniquely capable of identifying ‘innate’ qualities so necessary to the aspirant manager.

Although the Henley Administrative College had been established in 1945 and business schools had been in existence in the US since the early 1900s, management education did not really form part of the business agenda in any meaningful way in Britain until the 1960s. Despite the emergence of the Scientific Management movement in the US, and the 'management movement' in the UK during the 1920s and 30s (Child 1969), the view held by businessmen of management theory and education as being largely redundant, did not alter a great deal, due partly to the difficulty in evidencing any benefits (Thomas 1980). Despite prominent individuals such as Urwick advocating the need for formal management education based upon a distinct body of knowledge, the conception of management as an art prevailed at least until the 1950s (Whitley et al 1981). The view of industry originally held by much of academia was no less antipathetic than that originally held by business: the
subject of management was considered to be too vocational to be taught within universities. Furthermore, management was not thought to constitute a subject in its own right, in that it draws upon a number of different disciplines. A profession which tends to be bound up with the pursuit of profit was also not felt to be an appropriate addition to liberal educational curricula (Allen 1961; Turner 1969). By the 1960s however, both industry and academia had softened to the idea of management education, although approval was by no means universal.

Prior to 1945, management education did not form part of the state’s agenda either. During the Second World War, however, the state became aware of weaknesses in existing management practices through its involvement in industrial production. These inadequacies were further highlighted by an exposure to American management practices and education through the Marshall Plan funded Technical Assistant programme. In recognition, the British Institute of Management was established in 1947 by the Board of Trade, with the function of promoting modern management practices. A committee chaired by Urwick was also established in 1945 by the Ministry of Education, to report on the facilities required for the purpose of educating managers (Wheatcroft 1970; Whitley et al 1981). Urwick recommended a National Scheme of Management Studies, which was launched in 1949 in technical and commercial colleges. The scheme lacked substantial industrial support, due partly to the continued belief that management education was unnecessary, but also to the lack of prestige of those institutions involved in the scheme. Until the establishment of university business schools, this was the main contribution of the state to management education.
Although the attitude of business to management education provided by the state sector was fairly ambivalent, private sector provision was more enthusiastically received. Thirty independent management colleges had been established by 1960 (of which arguably Henley Administrative College was the best known), many by business consultancy firms, offering both specialised and general management courses, mostly of short duration. The emphasis within these courses was strongly practical and accreditation was felt to be largely unnecessary (Robertson 1965; Thomas 1980). The management education on offer at the time was aimed largely at existing managers rather than developing new managers (Mosson 1965). By the end of the 1950s, however, a number of influential industrialists, some of whom had attended senior executive courses at Harvard Business School, were voicing the opinion that a similar provision of undergraduate, postgraduate and post-experience management education would be desirable.

The 1960s was a period of corporatism and interventionist economic policies, characterised by a belief in the need for the supply side of the economy to be stimulated. A number of agencies were established during this era to encourage a tripartist approach to economic planning, encompassing industry, trade unions to speak on behalf of the workforce, and the state. The National Economic Development Council (NEDC) was set up by the Home government of the early 1960s to operate under the chairmanship of the Chancellor of the Exchequer. The intention was to provide a forum for senior representatives from industry, trade unions and the political arena to discuss Britain's economic performance and future prospects, and to formulate possible strategies. The Wilson administration later
established the Department of Economic Affairs, a National Board for Prices and Incomes to regulate wage and price increases, and a National Plan for economic development (Griffiths and Murray 1985). The Industrial Training Act of 1964, sponsored by the Ministry of Labour, imposed a levy of one to two per cent of turnover on companies to support training and made grants available through the new Training Boards for both management education and industrial training. In this climate of economic interventionism, a number of landmark papers relating to the education and development of managers were published, which led ultimately to the establishment of two business schools.

Whitehall did not have a coherent policy regarding management education until the 1960s, due partly to the fact that responsibility for the issue fell between a number of departments. Following the reports in 1963 of the National Economic Development Council (NEDC), the Robbins Committee and Lord Franks, the Government agreed financial support for the development of management education, but only if the funding was not available from other sources (Wheatcroft 1970). The Foundation for Management Education was established in 1960 by a group of industrialists to raise funds for the promotion of management education in universities and colleges. It launched an appeal in 1964 for contributions to assist the creation of two business schools; the response from industry was substantial. Thomas (1980) notes however that despite the large sums raised, the majority of the funds were contributed by a relatively small number of companies. Postgraduate business schools were subsequently established in 1965 at both London and Manchester Universities.

---

24 Training Boards were established, 17 of which were abolished by the 1981 Employment Training Act.
funded by an industry/government partnership. The London and Manchester business schools were heavily influenced by American business schools in the design of the structure and content of courses (Locke 1989). By 1969, over thirty universities were offering postgraduate courses in management, with only slightly fewer providing some form of undergraduate management education (Wheatcroft 1970).

The first major report to concern itself with management education was the Robbins Report on higher education in 1963. The Foundation of Management Education, the Federation of British Industries and the British Institute of Management all made representations to the Committee. The Report was highly critical of the provision of management education that existed at that time, particularly at a postgraduate level, arguing that the system was inadequate. Although the Report was independently produced, it echoed the prevailing sentiments of business leaders and of organisations such as the NEDC. The Report pointed out that the UK lacked the kind of management educational provision that prevailed in the United States and recommended that two postgraduate schools be created. The Report set out two provisos for the business schools to succeed: that they should be attached to existing institutions of higher education, and that they should be established in the vicinity of large business centres (Griffiths and Murray 1985).

The Robbins Report acknowledged that the combining of business and academia, which would occur as consequence of the two conditions stipulated, would create problems. The main difficulty that the Report identified was the differential in salaries between those working within academia and those in industry, which, the
Report claimed, would lead to difficulties in recruiting high calibre business school staff.

In the absence of any governmental initiative, a report was then commissioned by the Federation of British Industries, the British Institute of Management, the Federation of Management Education and the NEDC in response to public, industrial and academic interest, as to how the recommendations of the Robbins Committee could be implemented. The resulting report produced by Lord Franks (1963) was also strongly in favour of formalising management education. One question that Franks was particularly concerned with was whether the business schools should be attached to or part of a university, particularly given the vocational nature of management: “business management is an intelligent form of human activity, not intellectual nor academic, but practical in nature” (Franks 1963). Although opinion within the business community was divided - those within the academic institutions to benefit being more favourably disposed - Franks came down in favour of connecting the business schools to universities, as in the US.

Franks contended that to establish business schools as separate from existing academic institutions would have important implications for the recruitment of staff and for potential students. High quality staff with expertise in the various disciplines involved would largely be found within universities and Franks believed it would be difficult to draw academic staff away to the business schools if it resulted in losing their association with a university. The Franks Report also suggested that potential
students might wish to gain higher qualifications, possibly in the form of a Masters degree, which could only be awarded by a university.

The Franks Report also addressed the potential problem identified by the Robbins Report on the issue of pay and its implications for recruitment. Franks suggested that business school salaries should be on a par with other academic salaries and that to alleviate any recruitment difficulties, all academic salaries should be raised in order to compare more favourably with business and opportunities for consultancy should be available to staff. However, as Griffiths and Murray (1985) point out, rather than narrowing, the gap between salaries in academia and industry has in fact widened since then.

Although Franks saw business schools as being part of universities, he nevertheless envisaged a prominent place for business in the running of the schools. Apart from stating that businessmen should comprise half the membership of the business school’s executive committee, Franks did not elaborate on the mechanics of his proposed partnership between university and industry. Ultimately, however, the university-industry partnership did not materialise following the implementation of the Franks Report, as universities assumed responsibility for the management, direction and course content of business schools.
Within his report, Franks articulated a tension between the aims and values of those within universities and within industry:

The university, [businessmen] fear, will make the School over in its own traditional image. Instead of the School being thoroughly vocational and practical, with courses and programmes designed to help managers be better at managing, to increase their general competence, it will become like other departments of a university, concerned with the advancement of knowledge and its communication, turning out scholars and not men fit for management.

Franks 1963

From the outset, conflicting assumptions regarding the business school were effectively written into its constitution. The expectations of universities and industry with their differing emphases upon academic and vocational considerations were acknowledged by Franks to present a potential source of friction. Franks noted that academics had some disagreement with the aims, content and duration of the courses proposed. There was some difference of opinion prior to the establishment of the business schools concerning the sources of recruitment for the courses: the universities wished to concentrate upon postgraduate courses for those who had recently graduated, whereas industry wished for an injection of expertise into the middle managerial ranks. Franks attempted to appease the two factions by advocating the development of both post-experience and postgraduate courses (Whitley et al 1981). Franks also recommended that the MBA course be of a year’s duration, in line with the desire of industry for shorter courses, which the business
school academics ultimately rejected in favour of a two year course in emulation of US business schools.

The dissatisfaction of industry with the emphasis upon postgraduate courses rather than post-experience courses continued following the establishment of the two business schools and those which followed them. According to Thomas (1980), the conflict of interests between industry and the universities was articulated in a number of adverse articles within the press and within a critical report published in 1971 by the British Institute of Management and the Council of Industry for Management Education, *Business School Programmes: The Requirements of British Manufacturing Industry*, also known as the Owen Report. Based upon a study carried out in 1970 and submitted to the Advisory Panel on Management Education (which was established by the BIM and CBI in 1969), the Report concluded that employers did not agree with what business schools were doing, particularly with what were considered to be the more academic postgraduate courses. Although some major companies were in favour of business schools, the view of industry was largely that their purpose should be training for existing middle managers rather than the production of young qualified managers. Business appeared to want to retain its gatekeeping role of choosing the most suitable candidates for a managerial career, rather than allowing universities to do so, engendering “a ‘struggle’ for control over the conditions of access to managerial strata.” (Thomas 1980).

Although London and Manchester business schools made some attempts to respond to industrial criticism, neither reduced the duration of the two year postgraduate
courses in line with the desires of business. Both schools established liaison committees to improve university-industry relations and the London Business School made some changes to its admissions criteria, placing greater emphasis upon managerial experience, and to its curriculum by giving elective courses greater prominence (Whitley 1981). Business schools were subject to periodic debates regarding the role and locus of management education throughout the 1970s and into the 1980s. Despite the shift in emphasis in MBA provision in business schools from two years to one year’s duration (see appendix I) as a consequence of the economic downturn of the 1970s, management education did not alter substantially until the late 1980s.

As with other educational sectors, management education has been subject to the same demands for greater ‘industrial relevance’. Since their inception, business schools within the UK have been subject to periodic accusations of producing courses that are too ‘academic’, even from those working within business schools (see Lupton 1981). It is interesting that although there have been recurrent complaints of an academic bias, particularly within MBA programmes, this has not tended to be identified as the major shortcoming for business in the number of the reports which followed Franks.

Reports on the provision of management education

During the 1980s, a number of influential reports were published, partially stimulated by the concern that the economic performance of the UK was being hampered by the
ways in which managers were being trained. One of these was what has come to be known as the Handy Report. Published in 1987 by the National Economic Development Office (NEDO) on behalf of the National Economic Development Council (NEDC), the Manpower Services Commission (MSC) and the British Institute of Management (BIM), *The Making of Managers* had a substantial impact upon debate within business and government regarding the training of managers. The report, written by Charles Handy *et al*, offered a comparison between management education in the USA, West Germany, France, Japan, and the United Kingdom.

One of the main conclusions of the Report was that the educational level of many managers within the UK was of a lower standard than that of managers in the US, West Germany, France and Japan. For example, in both the US and Japan, 85 per cent of top managers had degrees compared with 24 per cent in Britain. In addition, it was claimed, the lack of a clear career path into business and management in the UK meant that compared to the four other countries, lower numbers of the most able people were finding their way into management. The Report contended that the four other countries place a greater emphasis upon, and have a stronger commitment to, the education and development of managers than the UK; they have a well-established set of expectations as to how managerial competence may be improved. It was found that the large corporations in the four countries tended to set the example in management education and, unlike those in Britain, had formal, written policies on managerial development.
Although the Handy Report acknowledged that some organisations made provision for their employees' management training and development needs, and that a range of management courses existed in polytechnics, colleges of higher and further education and some universities, it argued that provision was patchy: most new managers received no formal management training before commencing and for many none later either. The Report advocated creating a clear route into management by establishing standards of professional competence similar to other professions. Handy et al believed that management should become more professionalised: new managers should have knowledge of the basics before practising and should then undergo a period of apprenticeship and further study. As with other professions, practitioners should also be teachers or members, and academics should also be practitioners (Handy 1987).

The Report made a series of recommendations to improve the quality of management in the UK, based upon its observations of management practice and management education and training in the US, West Germany, France and Japan, taking into account British traditions: to ensure a wider education for more people for longer, and include a period of work experience; to create a framework for early business education to give a grounding in the core subjects and establish a tradition of apprenticeship linked with study; to encourage large companies to set standards in management development by granting five days off-the-job training a year and in promoting best practice by acting as trainers and consultants to suppliers and contractors; to develop mechanisms for the delivery of training, fostering greater co-operation between companies and between companies and business schools; to
establish an official statistical and information base; and to attempt to make studying more acceptable to corporations (Handy 1987).

Although the Report tended to focus upon the potential demand for management education rather than the role of business schools in supplying it, some suggestions were made regarding educational provision. Handy noted that there was a need for both management education (comprising the basic knowledge and analytical skills underlying management) and management development (as tied to corporate experience). A two-part qualification scheme was envisaged in which a period of study and preliminary examination would be followed by work experience interspersed with more study, leading to a full qualification. The final qualification would be the MBA (which is now indeed the case), with the earlier period of study being an MBA Part I or Diploma or Certificate. While the Diploma/MBA Part I would cover basic business topics, the MBA should concentrate upon the application of these areas of knowledge within a business context. It was considered that the MBA Part II would be “of more immediate and practical usefulness” than the Diploma (1987: 17). The Report suggested the encouragement of part-time courses as the best method of study, as providing a better balance between study and practice. In line with the suggestion of professionalising management, the Report recommended that in time it should be the norm for all managers to have acquired a credential, certifying their training.

Another influential study was that coordinated by Constable and McCormick, the results of which were also published in 1987. The Making of British Managers,
which was commissioned by the BIM and CBI, was the result of research carried out by four working parties, chaired by Mangham, Thomson, Stoddart and Osbaldeston. The conclusions of the study overlapped with and reinforced those of the Handy Report, generating widespread interest. While the Handy Report focused upon the management education and training provision of the UK’s four main economic competitors, the Constable and McCormick Report reviewed provision within Britain. There was agreement between the two reports that effective management, as an important factor in economic growth, represented a significant area for policy-makers’ attention. Both reports also highlighted the inadequacy of existing management education and training provision and the low priority it was accorded by many employers.

The Constable and McCormick study made a number of recommendations concerning future provision of management education and training, chief among them that the scale of management training needed to be increased substantially. The study suggested that management training and development should take place throughout a manager's career, through both in-company and external means. The study conceived of a more prominent role for business schools: a new Diploma in Business Administration was suggested, along with expansion in undergraduate, MBA and distance-learning provision (Constable and McCormick 1987).

The Report agreed with the original recommendations of the earlier Robbins and Franks Reports that business schools should be linked to universities, although it argued for greater managerial and financial autonomy for the schools. The study
recommended larger business schools offering fewer courses but a larger student intake and that there should be support for a number of business schools of international excellence. Increased governmental support was suggested in the form of funds for the expansion of the infrastructure of university, polytechnic and college management schools; the fees paid by individuals for management education should be made tax-deductible; and a policy forum for management education and training should be established to enable consultation among interested parties.

It appears that by the late 1980s, the view had developed within both governmental circles and employers' organisations that the New Right project of economic regeneration would be advanced by the repositioning and enhancement of management practice within the UK. The commissioning of the two main reports of the time by interested parties indicates that disquiet existed regarding the effectiveness of British managers prior to their publication. The Handy and Constable and McCormick Reports are widely considered to have given the impetus to the expansion of management education and the development of the competency movement in management that has also occurred from the late 1980s on. However, a number of other commentators also noted during the 1980s that management education within the UK could be considered to be failing (Fleet 1984, Lupton 1981). Ascher (1984) contended that although British industry could not be said to be of one mind on the subject, there was a distinct lack of favourable comment about the MBA. Griffiths and Murray (1985) suggested that the lack of business input into the running of business schools had resulted in an academic bias: "It is perhaps not too much to say that, once in the driving seat, the universities adopted what was
in management as an entry level qualification (the DBA was the preferred option), both the demand for and the provision of degree courses in business and management had increased substantially (Cannon 1994).

The Taylor Working Party Report (1994) aimed to outline the implications for business education providers of organisational change up to the year 2001, based upon the views of a number of practising managers. Most of the respondents felt that academic institutions would have to become more responsive to the needs of business (96 per cent agreed), would have to produce shorter courses (85 per cent) and would have to customise management development programmes far more to the requirements of individual organisations (84 per cent). The managers questioned believed that accreditation of learning would become of greater importance and that management development and training would increasingly become the responsibility of the individual. Seventy-one per cent of the managers questioned believed that business schools did have a continuing role into the new millennium.

According to the Director of Programmes of Business School A, MBA and other business school programmes have become more learner-orientated since the Handy and Constable/McCormick Reports. There has been a shift from full time MBA programmes to part-time and distance learning MBAs, and open executive programmes have been largely replaced by programmes tailored to the needs of particular companies. Among those MBA students graduating between 1981 and 1985, prior to the publication of the Handy and Constable/McCormick Reports, the

---

26 A questionnaire was distributed to a random sample of 5000 practising managers, of which 1246 responded.
distance learning format accounted for only 2 per cent of students whilst 16 per cent studied on a part-time basis. This compares with those students completing their MBA programmes in 1995, where distance learning had risen to 40 per cent and part-time programmes to 39 per cent (AMBA 1998).

Thomson et al (1997) conclude from their survey of organisations of varying sizes and sectors that management development tends to be given a much higher priority than it was at the time of the Handy and Constable/McCormick Reports. Organisations tend to take a greater share of the responsibility for management development with the individual. Few of the larger companies (4 per cent) and a minority of the smaller companies (20 per cent) in the survey report providing no management training. Thomson et al (1997) note that this compares with the figures given in the Mangham and Silver survey (1986) whereby over half of all UK companies made no formal management training provision. In line with the recommendations contained within the Handy Report, the larger companies contacted in the survey spend an average of five days per manager per year on management training, with smaller companies falling slightly short.

According to Thomson et al (1997), appraisal and its link to individual management development is almost universal, particularly among the larger companies. Management training and development within organisations tends also to be linked to managerial competences, as contrasted with the situation described by Mangham and Silver a decade earlier. Almost all of the 18 companies that Thomson et al (1997) used as case studies referred in some form to a competence framework.
Thomson *et al* (1997) note however, that although many companies conceptualise their management training needs in terms of competences, management education providers largely do not.

Since the Handy and Constable/McCormick Reports, both management education and the expectations of industry have changed considerably. Prior to the publication of the reports in 1986, 1,200 students graduated with an MBA (*Handy et al* 1988), whereas approximately 10,000 students were graduating with an MBA by 2000 (*Association of Business Schools* 2001). Not only has management education expanded in terms of the quantity of providers, courses and students, but there has been a subtle shift in the balance of power between business schools and industry, in that business schools are now more ‘consumer’ orientated, as may be evidenced in the shift from full-time to part-time, distance learning and company-based courses. It may be debated however whether the content of management education programmes has been subject to similar influences.

**The supply of and the demand for management education**

The expansion of management education is the result of a complex interplay of factors. The pressure for this expansion came from both supply and demand sides, though the initial driving force was fundamentally political. Although the Handy and Constable/McCormick Reports, published in 1987, did raise the profile of management education within the UK, they contributed to an already occurring shift in the national agenda. The Reports chimed with existing policy concerns of the

---

27 Over 20 business schools in the UK now offer distance learning programmes.
Conservative Government: management had become a key political theme from the early 1980s onwards in considerations of both the public and private sectors. One of the Government's prime concerns during the early 1980s was the uncompetitiveness of British industry, which was attributed to problems within the supply-side of the economy: skills, education, training, the organisation of the workforce, and the dominance of trade unions. It was believed that the existing legislation surrounding organisations and the prevailing power structure favoured the workforce rather than the management. Correspondingly there were moves to increase the dominance of management - referred to as "the manager's right to manage". During the 1980s, anti-trade union legislation was passed which aimed to reinforce the position of management.

Although successive Conservative administrations helped to promote management education by championing and facilitating the cause of management within the private sector, it was within the public sector that the effects were most directly felt. During the 1980s, its belief in the primacy of private sector methods coupled with the desire to reduce public expenditure led the Government to attempt to transfer activities from public to the private sector and to introduce market disciplines into those which remained. Individuals linked with private sector business were involved in the compilation of the two reports which were central to the policy development of private sector techniques for a public services context: the Jarratt Report (1985) on management in universities and the Griffiths Report (1988) on the National Health Service. The Government sought to achieve a shift within the public sector from an administrative paradigm to a managerial one, whereby control of day-to-day

28 Michael Edwardes, chairman of British Leyland
processes would move from the public sector professional to the manager. The key underlying assumption was that inefficiencies within the public sector were due to a lack of competition resulting in the dominance of the producer interest. The previous mediatory role of the public sector administrator was transformed into a managerial role in order to exert pressure upon the producer domain to achieve greater efficiency. The drive for greater accountability and efficiency led to a number of reforms in all areas of the public sector.

The development of a managerial cadre within the public sector led to large numbers of people being exposed to private sector management techniques. The managerial aims of delivering objectives and achieving targets led to changes in the operating procedures of production staff. Within the civil service, management planning and control systems were introduced in the Financial Management Initiative and a management development initiative was launched for upper level civil servants in the Top Management Programme. Within the NHS, organisational restructuring and the redefinition of roles was accomplished with the assistance of management development training schemes. Structural changes also took place within the education system, social services and local government. The new demands imposed by the institutional transformations taking place in the public sector led to many employees seeking and being proposed for managerial training, thereby both increasing the demand for and elevating the position of management education.

In addition to the structural changes which took place within the education system, largely as a result of the 1988 Education Act, there was also a shift in focus in
educational content. There was a greater emphasis upon ‘education for capability’ or competence and the development of skills, and there was a promotion of business studies at all levels. This formed a central plank of the Government’s agenda for the reinvention and rejuvenation of Britain’s economic fortunes. There was clearly a political will to embrace management practice and education. Although the Government left it largely to the market to generate momentum in the expansion of management education, there was significant encouragement, both directly in the form of grants and funding for business schools and new departments and indirectly in its influencing of the national agenda by championing vocationalism and business values. Civil institutions seized the opportunities created by the state: universities, in need of funds, were active in seeking expansion, thereby taking advantage of new sources of finance.

While the Handy and Constable/McCormick reports were initiated by employer-led bodies and governmental organisations operating on behalf of business, a report was also commissioned by the university sector. A study by Forrester (1986) was commissioned by the Conference of University Management Schools and the Economic and Social Research Council to assess the adequacy of the available provision. Like Handy, Forrester judged the existing system of management education to be inadequate and argued that substantial expansion of the business school sector would be necessary.

When asked as to what they attributed the expansion in business education, those business school academics who were interviewed as part of this research referred to a
variety of factors. Although the influence of the Handy and Constable/McCormick Reports was mentioned by three of the respondents, the most frequently mentioned reason was the demand for management education from both companies and individuals wishing to gain accreditation in the wake of changing employment conditions:

...there was a significant momentum on the demand side as well, from managers who felt that they were undereducated, that they needed some sort of qualification. And they had a strong sense of growing insecurity in the labour market and wanted some qualification to provide them with a defence mechanism against possible redundancy, or being pushed out into the labour market.

Professor of Management, Business School B

...of the proper professions, management is the only one that has no structure of professional qualifications and training schemes.... So I think there was this enormous backlog of practising managers who lacked any clear conceptual framework for what they were doing.

Lecturer, Business School B

Although the majority of the respondents concentrated upon the demand for management education within their interviews, almost as many highlighted supply-side issues, with two respondents mentioning both. The main reason discussed was the need for universities to increase their revenue, coupled with the recognition that management education would provide a source of income:

...the university sector, including the new universities, saw the MBA as a money spinner and wanted to get on the bandwagon.
Director of Programmes, Business School A

[The MBA] is much more of a business in the university - universities are under tremendous financial pressure.

Co-director of MPhil, Business School C

...the business schools have been highly desirable for universities because they can charge higher fees for management related subjects, and that has created and financed growth. So a school like Bristol, for instance, was created almost entirely for the purpose of raising funds from all those students.

Professor of Management, Business School B

Golzen (1995) also notes that aside from the fact that the MBA is a useful revenue generator, "the high visibility of the MBA concept increasingly makes [tertiary educational providers] feel that they have to be able to offer an MBA to be taken seriously in the community and even in the academic world".

The political reconfiguring of the public sector was also discussed by two of the respondents as constituting an important driving force for the subsequent expansion.

The Health Service, which is the largest employer, was changing. So the drivers obviously were political, but if you like, some really large employers in the public sector were changing quite fundamentally, so that actually dragged management on to the agenda. And I suppose it was perceived as being an essential feature of that transformation.
Successive Conservative administrations throughout the 1980s played a key role in the expansion in management education, creating not only the conditions for its growth, but also a demand for it through the expectation that public sector institutions should be managed in a similar mode to private sector companies. The belief by the New Right in the primacy of the private sector and its methods of operational delivery became a focus not only for numerous reforms of the public sector, but also resulted in some part in a surge in interest in management and the training and education of managers. In the Government’s promotion of management was a convergence of the legislative (i.e. trade union and public sector legislation), the educational (vocationalism; incentives for educational institutions) and the cultural (the enterprise culture; the efficiency movement).

**Demography of business schools**

The decline in a linear career path and rise in job insecurity have contributed to the individualisation of learning, with individuals being expected to take responsibility for their own education and training needs in order to secure a good position in the job market. The growth in demand from individuals for places on MBA programmes appears to indicate a belief in the economic benefit of management education. For many people, an MBA is seen as a means to improving their employment prospects and there appears to be some evidence for this assumption, although it is not possible to identify a causal relationship between the two. Research by the Association of MBAs (AMBA 1998) into the career prospects of MBA students found that
following completion of the MBA, 61 per cent remained with their existing employer, 23 per cent changed their employer within six months of completion, 10 per cent changed employer within a year and 6 per cent became self-employed. Data provided by the AMBA as to changes in role experienced by MBA students following the completion of their degree shows a movement from junior management and, to a lesser degree, middle management, towards senior management, directorships, partnerships, professional or technical roles and self-employment. Prior to commencing an MBA programme, 24 per cent of people were in junior management positions which then dropped to 10 per cent following its completion and 26 per cent of people were in middle management positions, which then dropped to 25 per cent following completion. Prior to the MBA, there were 11 per cent employed in senior management which rose to 17 per cent of the total after completing the MBA. Those in professional or technical roles numbered 32 per cent of the total which then increased to 34 per cent after the MBA. Of those enrolled on an MBA programme, 4.5 per cent were board directors, which rose to 6 per cent following completion.

According to the AMBA, the post-MBA salary has declined over the past decade, although they suggest that students tend to take a long-term view of the benefits that may accrue from an MBA rather than focusing upon any short-term gains. The apparent decline in salary may be due to the fact that greater numbers of junior staff are taking the qualification. Data compiled by the AMBA regarding the salaries of their members indicates that there is an increase on average of between 18.5 per cent and 25 per cent within the first five years following completion of the course. For
those MBAs whose salaries are within the lower quartile, their salaries increase on average from £27,000 per annum to £32,000 within the first five years following the achievement of an MBA. The MBAs within the upper quartile see an average increase in their salaries from £40,000 to £50,000 per annum in the five years following the MBA. Between five and ten years post-MBA, salaries again increase by between 12.5 per cent and 20 per cent with those in the lower quartile increasing from £32,000 to £36,000 and those in the upper quartile from £50,000 to £60,000. Therefore in the ten years following the completion of an MBA salaries increase on average by between 33 per cent and 50 per cent of the pre-MBA salary.

A more recent survey by the AMBA (2005) confirms that the personal economic benefits of completing an MBA still apply. The AMBA found that the immediate salary boost following graduation with an MBA in 2004 averaged 18 per cent of a graduate's previous salary. Average salaries three to five years after graduation were 53 per cent higher than graduates' pre-MBA salaries.

In a Council for National Academic Awards (CNAA) survey in 1991, the majority (44 per cent) claimed that the main benefit from the MBA was the effect of broadening their education rather than helping their career (3 per cent) or aiding their current job (3 per cent), but 2 per cent thought that the main benefit was the development of their financial understanding. Twenty two per cent claimed that the main benefit of the MBA was enhancing their personal development, while only 3 per cent thought it to be the qualification.
However, in an Institute of Management/Ashridge survey (1996) of over 700 managers, more than 70 per cent of the sample claimed that business and management qualifications had improved their career prospects in terms of new responsibilities and greater competence, and over three quarters believed that qualifications were gaining greater importance in the light of increased job competition and higher company expectations. The qualifications which were considered to have the most relevance for a job in management were a BA/BSc in a business related subject (86 per cent), a BA/BSc in business or management (84 per cent), an MBA (83 per cent), and a postgraduate management diploma (79 per cent). However, the MBA was considered to be the most desirable credential: 88 per cent of the managers who responded believed the MBA to be the most portable qualification, 79 per cent considered it to increase knowledge of business and management, 77 per cent thought the MBA improved job quality, and 68 per cent of those surveyed believed it to improve prospects of promotion (IM/Ashridge 1996).

The complexity of the world economy and the difficulty of maintaining a competitive advantage in fluctuating transnational markets have led increasingly to companies hiring individuals with MBAs (and thus buying access to the knowledge they have) or organising company-specific training schemes with business schools. The increased value employers now place upon management education since the Handy Report has resulted in a greater number of employees being sponsored on MBA programmes. Data compiled by the Association of MBAs (1998) concerning employer support for those taking MBAs indicates that 50 per cent of MBA students have all their fees paid by their employer, while another 20 per cent have a
proportion of their fees paid. Other support provided by employers, which may or may not be in conjunction with the payment or part-payment of fees includes: an allowance for books, which 15 per cent received; study leave, which was granted to 44 per cent; and leave of absence, which was taken by 22 per cent. Sixteen per cent of the total received no support at all from their employer. However, when looking just at part-time and distance learning students, according to the AMBA, 70 per cent received either financial support from their employers or time off.

This data contrasts with a survey carried out by the CNAA (1991) which found that 36 per cent of students had all their fees paid for by their employer, 12 per cent had part of their fees paid for by their employer. Six per cent of the sample were granted time off work by their employer in order to study for their MBA, while another 34 per cent had both their fees paid and received time off from work. Seven per cent received no support from their employer, 1 per cent were not currently in employment and 4 per cent were self-employed. In summary, this data indicates that 70 per cent have all of their fees paid by their employer, while a further 12 per cent have part of their fees paid.

One reason for the differences in figures may be that AMBA member institutions (upon which the AMBA statistics were based) tend to be the higher status, usually university based, business schools, whereas the CNAA survey also incorporated former polytechnics and colleges. Thus the differential may indicate that employers have a greater willingness to provide support for MBAs studied at the more
prestigious institutions. Regardless of which research represents the more accurate picture, both indicate that high levels of employer support exist for the MBA.

Research carried out by the AMBA (1998) into the funding of MBA courses shows that the greater proportion of students - 57 per cent of the total - rely on personal funds to finance their course. Thirty-one per cent of students are supported by their company. Many students take out loans to finance their course: 28 per cent have AMBA loans, 2 per cent rely upon a loan from their families and 14 per cent take out a bank loan. This clearly indicates the personal commitment individuals are prepared to make concerning their own work training and development.

Data on the sponsorship of students at Business school B is available for the period 1992 to 1997. In 1992, 33 per cent of the total number of student courses were sponsored. After a dip in 1993 to 30 per cent of the total, sponsored student courses at this particular institution have since increased year on year to reach 47 per cent in 1997. Sponsors are from both the public and private sectors, with the public sector comprising 26 per cent of the total number of sponsoring organisations. Of the public sector institutions sponsoring student courses in the period 1992 to 1997, local government organisations accounted for the highest number, comprising 8 per cent of the total number of sponsors, with education and training organisations and NHS health organisations both accounting for 6 per cent of the total. Within the private sector, those organisations operating within the electronic and electrical manufacturing sector accounted for the highest number of sponsoring institutions with 9 per cent of the total number of sponsors. The two economic sectors which
featured in second place were Oil, Plastics, Chemical and Pharmaceuticals and Commercial Services, both accounting for 6 per cent of the total number of organisations. However, figures are not available for how many students each organisation has sponsored, only for the number of sponsors and which sector of the economy each sponsor operates in. It could well be the case that some of the institutions sponsor a large number of students whereas others sponsor only one or two, which would mean that the conclusions able to be drawn from this data are therefore limited.

The shift in structural economic conditions coupled with a political agenda which has favoured management, has led to an increase in demand for management education. The notion of 'human capital' has re-emerged, although reinterpreted now as an individualistic concept rather than collective. Individuals are encouraged to invest in themselves and their careers. The tertiary sector has seen a big increase in the number of students enrolling upon business and management courses at all levels. The ABS (2005) notes a growth rate between 1994 and 2002 of 30 per cent at undergraduate level, 60 per cent at taught postgraduate level and 49 per cent at research degree level29, giving some indication of the popularity of the subject. According to the Council for Excellence in Management and Leadership (2002), between 1995 and 2000, the number of students being awarded an MBA has risen from 8,000 in 1995 to 11,000 in 2001.

Business and management related studies attract more overseas students than any other discipline, and overtook engineering and technology in popularity for the first

29 Based on data provided by the Higher Education Statistical Agency
time in 1995/6, accounting for nearly 20 per cent of the total overseas student population and 24 per cent of all overseas postgraduate students in the UK (HESA 1996). Business schools also provide management qualification programmes to approximately 10,000 students within their own countries and provide executive education, research and consultancy to organisations in both developed and developing countries throughout the world (Association of Business Schools 1996).

The AMBA is the professional association for those students or graduates from accredited MBA programmes. It was founded in 1967 with the intention of promoting management education in the UK. Apart from providing loans for business school students and organising seminars, events and opportunities to network, one of the AMBA’s main functions is to provide a system of accreditation which operates with the aim of ensuring a certain level of quality. Its system of accreditation has been in existence for over 30 years. For those business schools so accredited, this “gives an overview of their position against norms which have now gained widespread acceptance on an international basis” (AMBA 1998, Website). Accredited schools have their accreditation reviewed every five years.

In order to achieve accreditation, business schools and their programmes are measured against criteria which have been refined over a number of years. These criteria have been arrived at through consultation with employers and business schools. The AMBA claim that the accreditation service is “independent, voluntary and market-driven”. At this time, the AMBA has accredited 36 of the 130 institutions currently providing MBA programmes in the UK, and 32 leading
European business education providers. One of the results of accreditation is the creation of a form of league table for business schools, which is able to be used by both employers and business school students. According to the AMBA, for business schools "accreditation provides an overview of their position against norms which have now gained widespread acceptance on an international basis" (2004, Website). There are no formal league tables of European business schools although they do exist for business schools in the United States. The increase in the number of people with an MBA is leading to a situation similar to that currently in the United States where it is assumed that applicants for senior positions will have an MBA as a matter of course. In situations where possessing an MBA is the norm, the status of the business school from which the applicant obtained their MBA is increasingly being taken into account.

In order to be accepted on to an MBA course, it is necessary for the applicant to have either an honours degree or equivalent professional qualifications or experience. The MBA is both a postgraduate and a post-experience degree so a certain amount of managerial experience tends to be preferred, usually about three years. The average age of an MBA student prior to starting the course is 27 years old for a full-time course and 32 for a part-time course (AMBA 1998, Website). Many UK business schools also use a certain score (usually 500 points) for the Graduate Management Admissions Test (GMAT) as a requirement for entry, in line with business school practice in the United States. The GMAT originated in the United States and even now is still administered there, although the test may be taken at various locations in the UK.
The MBA aims to train managers in the skills necessary for both general management and senior functional management. MBA programmes tend to include a number of courses in what are considered to be the core areas of management, necessary for understanding how any organisation operates: Managerial Economics; Financial and Management Accounting; Marketing; Quantitative Methods; Organisational Behaviour; Human Resource Management; Operations Management; Information Technology and Business Strategy. The student is also usually able to choose a certain number of elective courses from those on offer, which vary between business schools. Some electives offered by various business schools include: Public Sector Management, Organisational Change, Quality, International and Corporate Strategy, European Business Environment, Japanese Management, Business Ethics, Business Law, and Corporate Finance. MBA programmes usually then conclude with either a dissertation or a company-based project. According to the AMBA, there is a great demand for relevance in course content, which it claims business schools have gone some way to meeting through: an emphasis upon practice rather than theory; the teaching of skills such as teamwork and leadership; the integration of elements of management disciplines (for example demonstrating the impact of finance upon marketing decisions); and the use of group work and case studies as key teaching methods (AMBA 1995: 13).

There are a number of different formats of varying duration in which the MBA may be studied: full-time, part-time, modular and distance learning. Full-time courses tend to run for one year; part-time programmes usually take between two and three years to complete, whilst distance-learning courses are completed on average within
three to five years. It is usually not possible to combine employment with studying for an MBA with a full-time course, whereas the built-in flexibility of part-time or distance-learning courses allows employment to run alongside studying. Part-time programmes tend to run courses in the evenings, at weekends or on day-release. Distance-learning programmes usually require attendance at workshops and residential weekends to supplement the work done at home. Other courses, which tend to be based upon a generic MBA and then adapted for particular circumstances, include the Executive MBA, the Consortia MBA for a number of companies and the single company MBA.

Up until the 1980s, full-time MBA programmes were the norm with the majority of these courses, until the mid-1970s, running for two years. According to data compiled by the AMBA (1998), of those students completing their MBA during the period up to 1960, 74 per cent had taken full-time courses lasting two years, 25 per cent had completed full-time courses lasting one year and the remaining 1 per cent were part-time. Of those graduating between 1961 and 1965, 98 per cent had taken two year full-time courses with the remaining 2 per cent studying part-time. In the period from 1966 to 1970, 45 per cent of MBAs were taken full-time for one year, 53 per cent were full-time for two years and the remaining 2 per cent were part-time. Of those people finishing their MBAs between 1971 and 1975, 52 per cent had enrolled on one year full-time programmes, 47 per cent had taken a two year full-time course, with 1 per cent studying part-time. In the period from 1976 to 1980, the number of students graduating from part-time courses increased to 5 per cent; 23 per cent of
students had completed two year full-time courses and 72 per cent had studied full-time for a year (AMBA 1998).

Up until the 1970s, the majority of MBA programmes were full-time and ran over a two year period. From the 1970s until the 1980s, although the majority of the courses taken were still full-time, they were increasingly studied over one year rather than two, following pressure from business. Throughout the 1980s and 1990s, the number of both one year and two year full-time courses taken has fallen, whilst there has been a corresponding steady increase in part-time and distance learning programmes. Tuition fees average £8,000 to £10,000, ranging from £5,950 for a one year full-time course at Bristol Business School to £26,000 for two years full-time at the London Business School. Given the sort of expense incurred when embarking upon an MBA, the preference from students is increasingly for combining work and studying: those students who are self-financing often cannot afford to give up a year's salary; for those students whose courses are financed by their employer, the sponsoring organisation is often reluctant to lose a member of staff for the duration of the course. The research carried out by the AMBA found that sponsorship of full-time programmes is rare: those employees who do receive financial assistance from their organisation tend to opt for part-time or distance learning programmes. Business schools have responded to client demand for combining MBAs with paid employment not only by providing greater flexibility within course design, but also by incorporating workplace-based projects into their MBA programmes.
The following figures demonstrate the shift from longer, university-based courses to shorter, open or distance learning courses (see Appendix I). Of those students completing their MBA in the period from 1981 to 1985, 56 per cent had completed full-time courses lasting one year, 26 per cent had taken two year full-time courses, 16 per cent had been part-time, whilst 2 per cent had studied by distance learning. Of those graduating between 1986 and 1990, 56 per cent had studied full-time for one year, 10 per cent had completed two year full-time programmes, 30 per cent had studied part-time and 4 per cent had enrolled on distance learning programmes. Between 1991 and 1995, the numbers for those students studying full time dropped, while the numbers registering for part-time or distance learning courses increased. Those enrolled on one year full-time courses dropped from 52 per cent to 20 per cent. The number of students studying full-time over a two year period dropped from 7 per cent to 1 per cent of the total. On part-time courses, student numbers rose from 27 per cent to 39 per cent and on distance learning programmes they increased from 14 per cent to 40 per cent of the total (AMBA 1998). Between 1999 and 2003, the number of British students enrolled on full-time MBA courses dropped further from 17 per cent to 14 per cent, with distance learning figures increasing from 27 per cent to 32 per cent, while part-time numbers staying the same.

MBA students are also from a variety of backgrounds, with differing levels of prior educational achievement. From data provided by the AMBA based upon information given by its members, prior to embarking upon an MBA, 85 per cent of MBA students had previously been awarded a Bachelor degree, 10 per cent had previously completed a Masters degree, 4 per cent had a PhD, 29 per cent previously
held some form of professional qualification, 5 per cent had a DMS, whilst 6 per cent had already completed an HND. It is likely that many of the MBA students included in these statistics were in possession of more than one of these qualifications, for example, in order to be accepted on to a Masters course, it is usual for the applicant to have been previously awarded a Bachelor degree.

According to the data correlated by the AMBA (1998, Website), those MBA students with a degree come from a variety of different academic disciplines. For some of the students, an MBA constitutes a significant change of direction, while for others, it offers an advancement of knowledge previously gained. Of the academic disciplines previously studied, engineering constitutes by far the largest group, accounting for 32 per cent of the total number of MBA students with a degree. Science graduates are the second largest group at 24 per cent, followed by Social Science or Law at 13 per cent and Humanities at 12 per cent of the total. 8 per cent of the total had previously taken a Business Studies degree, while 3 per cent had been awarded a Computer Science degree. 9 per cent of the MBA graduate students have been placed within the category ‘Other subjects’ in the AMBA data.

Another of the institutional bodies concerned with management education is the Association of Business Schools (ABS). It was formed in 1992 as a result of the merger between the former Council of University Management Schools and the Association for Management and Business Education. Unlike the AMBA which deals exclusively with the Masters degree in Business Administration, the Association of Business Schools is concerned with the full range of undergraduate,
postgraduate (including the MBA), and NVQ courses. According to the Association of Business Schools, it is the national representative body of over one hundred major business and management education providers across UK higher education. Membership of the ABS is restricted to those institutions accrediting their qualifications through the United Kingdom higher education system. For a business and management education provider to qualify for membership, it must constitute a distinct unit in which a core of staff are involved in management education in at least two of undergraduate, postgraduate, or post-experience teaching, or research.

The primary objective of the Association of Business Schools is “to advance the education of the public in business and management, in particular through the promotion of business and management education, training and development so as to improve the quality and effectiveness of the practice of management in the United Kingdom” (ABS 1998, Website). This, the ABS attempts to achieve through the provisions of a national forum, and conferences and workshops. The ABS also undertakes research in order to contribute to national policy formulation on the direction of business and management education. Much of the work of the Association of Business Schools is done by Steering Committees and Sub-Committees, although the general direction is decided by the Association’s Executive Committee. Membership of the committees is drawn from the various business schools and management education providers that are ABS members.

The Association of Business Schools not only promotes management education but is also involved in shaping it. In 1993, the ABS and the Institute of Management
jointly established the Management Verification Consortium (MVC), a subsidiary, to award Business and Management National and Scottish Vocational Qualifications (NVQs and SVQs) for which it is approved by both the National Council for Vocational Qualifications (NVCQ) and the Scottish Vocational Education Council (SCOTVEC). According to the Association of Business Schools (ABS Website, 1998), the MVC is the largest UK provider of vocational qualification awards, with a membership of over 30 UK universities and Colleges of Higher Education. The MVC represents the interests of the higher education sector in vocational qualifications: it approves institutions offering vocational qualifications, quality assures any programmes offered and tries to ensure that NVQs and SVQs have the same academic rigour as other higher educational programmes (ABS, 1998).

Management therefore may be seen as becoming increasingly professionalised, not only through increased emphasis upon the MBA as a necessary qualification for managers, but also through the establishment of professional bodies and the institutional apparatus surrounding it. Although it is difficult to get hold of detailed, up-to-date figures regarding business schools within the UK, the statistics that are publicly available indicate an increase year on year for management admissions in all sectors of higher education: undergraduate, postgraduate and research programmes. What is also certain is the existence of a shift since the 1970s from two year full time programmes to more flexible modes of learning such as part-time and distance learning courses. This has coincided with individuals taking greater responsibility for their own training and development, rather than gaining qualifications through company sponsorship, leading people to combine studying with work. The demand
for business and management courses clearly demonstrates the popular belief that such qualifications will prove economically beneficial for individuals. Although the gap between pre- and post-MBA salaries has narrowed since the late 1980s, the figures tend to justify such a belief.

Conclusion

During the 1980s, business education underwent massive expansion, with a substantial number of new business schools being established, and many of the remainder enlarging the scope of their activities considerably in this period. There are now over 109 business schools within the UK, with at least as many within Continental Europe. Management education has become a thriving industry generating substantial amounts of revenue for universities, to the extent that, according to the Association of Business Schools, their members account for over 20 per cent of the total higher education activity in the UK. The increased interest in management and general elevation in the status of the practice of management, which has become manifest particularly in the popularity of the MBA, has arisen for a number of reasons. An increasingly competitive global economy with its cyclical peaks and troughs and resultant instability and fluctuations in demand, and cultural factors such as the influence of Japanese management techniques, have all contributed to the prevalence of the belief in the economic necessity of good management. The ideological supremacy of management ideas is both symbolised and has been augmented by the rise of ‘celebrity’ management theorists or ‘gurus’ such as Peters and Waterman (1982) and Handy (1989, 1994).
This chapter has aimed to trace the lines of influence, the structural frameworks and the privileging of certain values over others, which have contributed to the shape business education has taken in this country. It is not the case that the state, at the behest of the business lobby, created the expansion in business education. A complex interplay of a number of different factors has led to the increase in both the supply of and the demand for management education. Undoubtedly the business lobby has been (and still is) very vocal concerning its requirements of the education system. However, the university sector has been more than willing to respond to the requests made of them to supply postgraduate business education. There has been a significant increase in demand through both the installation of private sector management techniques within the public sector and the resultant need for such knowledge, but also through the development of the popular belief in the personal benefits of having a business qualification. To that extent the policies of the New Right to increase the profile and status of management, particularly in relation to the education system, have been largely successful.

Although the New Right occupied a position of strength throughout the 1980s, it now seems to have exhausted its programme of reform. The current Labour government continues to articulate policy in terms of elements of a Thatcherite discourse, employing a managerialist discourse despite its centre-left stance. The prevalence of a New Right discourse indicates the extent to which the project achieved success. Many of the structural and organisational changes, particularly within the public sector, which were introduced by successive New Right-influenced Conservative
administrations still exist and continue along similar lines, although there has been a softening of some of the more overtly market-driven initiatives.

The belief that good management is a necessity for the achievement of economic prosperity, both at the level of individual companies and at the level of the nation state, has grown in popularity since the late 1980s. The business school could be considered a symbol of the cultural, political and economic significance of management in Britain: the business school as an agency involved in the promotion of management knowledge and practice is thereby linked to the political and economic agendas of the nation state.
Chapter 4  The cultural significance of the business school

As noted in previous chapters, the expansion of the post-experience management education sector has been closely linked with the state-sponsorship of management. This chapter considers the cultural dimensions of the promotion of management as a political strategy. Through their role in the construction and dissemination of management knowledge, business schools have become important cultural agencies and intermediaries, contributing to the reconstitution of the public sector, and it may be argued, to a certain extent the reconstitution of society itself. The main area where overt cultural changes may be identified is within the public sector. A body of literature has developed around the structural and cultural changes that have taken place, analysing the application of predominantly private sector management techniques and discourses to public services, which is referred to as ‘managerialism’ (see Pollitt 1993; Cutler and Waine 1994; Clarke et al 1994).

Within the literature, ‘managerialism’ is understood as a set of beliefs, assumptions and practices, the underlying premise of which is that more ‘effective’ management will provide the solution to a number of social and economic problems. The ideologies and practices central to managerialism provided the underpinning and legitimation for widespread reform of the public sector, ultimately constituting a new form of governance. Managerialism provided a key theme and organising framework for Conservative public policy throughout the 1980s and 90s, not least because of its ‘positive’, almost self-evidential properties, such as the emphasis upon the need for ‘quality’. Although many of the structural and institutional realignments
discussed within this chapter were presided over by successive Conservative administrations, there have not been any substantial shifts during the subsequent Labour administrations. There has been increased use made of the Private Finance Initiative (PFI) as a source of funds for the public sector since the late 1990s, but this has not had a significant effect upon the main principles of managerialism and may in fact be argued to have intensified the use of a business-related discourse.

Clarke and Newman use the concept of the 'managerial state' in order "to locate managerialism as a cultural formation and a distinctive set of ideologies and practices which form one of the underpinnings of an emergent political settlement" (1997: 1). They argue that managerialism has shaped the remaking of the state, institutionally, ideologically and culturally. Following the dismantling of the social democratic consensus following the economic crises of the 1970s, the New Right attempted to reconstruct both the state and social welfare and renegotiate the relationship between them. Managerialism was central to this process of reconstruction.

It is possible to identify links between the notion of the managerial state and Foucault's concept of governmentality. The application of private sector-derived Human Resource practices within the public sector may be viewed as a manifestation of governmentality (Townley 1993). Employment practices such as appraisal and target-setting generate increased information about the performance of employees, with the intention of rendering them more visible and consequently manageable. As is made clear within Foucault's discussion of governmentality (1979), the very
process of monitoring and assessing actively constructs and shapes the activities overseen, although it must be acknowledged, not necessarily in the ways intended.

The spread of a managerialist discourse into areas of social life other than business and industry points to an increase in the influence and importance of management, to the extent possibly where it could be said that a cultural consecration of management has occurred. As a source and disseminator of knowledge regarding management practice, the business school plays a significant role in the discursive spread of management. As discussed earlier, the success of the New Right's strategy to introduce the discourses of business and management into a number of diverse social spheres is demonstrated by the lack of serious contestation involved in the application of these discourses and the conceptualisation of social problems and issues in terms of them.

**Managerialism**

From the late 1980s, the application of 'managerialism' became a central feature in the regulation, control and marketisation of public service institutions and the professionals working within them, based upon the belief that the objectives of social services may be achieved at a lower cost if the appropriate management techniques are applied. As such, managerialism constitutes the politicisation of management: the harnessing of management techniques, practices and ideologies for the achievement of politically designated objectives and agendas. Derived from New Right ideologies of marketisation, accountability and the requirement on public
service institutions to demonstrate 'economy, efficiency and effectiveness', managerialism gave rise to a series of regulations and methodologies exerting powerful constraints over the identities, responsibilities and workloads of professional workers (Pollitt 1990). One of the most significant aspects of this process was the transformation of the knowledge bases of these groups of employees, derived in part from the restructuring of training regimes around the concepts of 'outcomes' and 'competencies' and also through the rationalisation of some professional skills in the pursuit of economy and efficiency.

As was suggested earlier, a key political strategy throughout the Conservative administrations of the 1980s and 90s, and subsequent Labour administrations, has been the fostering of closer links with business and industry. A closer relationship with business has also been sought through the employment of external management consultants to advise governmental departments upon efficiency measures and to galvanise reform, which The Guardian reported as costing over £865 million in 1995\textsuperscript{30}. A more recent report in The Guardian (2006) puts that figure now as "running at more than £2.2bn". Given the existence of high levels of competition and the need to be profitable, the private sector is considered to provide the key to best business practices. Individuals linked with private sector business were involved in the compilation of the two reports which have been most central to the policy development of private sector techniques for a public services context: the

\textsuperscript{30} It was reported in The Guardian (30 April 1994) that in The Emerging Findings of the Multi-Departmental Scrutiny on the Government's use of External Consultants, a report by the Cabinet Office's efficiency unit, central government was calculated to have spent £565 million on external consultants in the financial year 1992 to 1993, in return for which savings of £10 million were achieved. A report in The Guardian the following year (1 March 1995) claimed that government spending on external consultants had increased to over £865 million, again with comparatively little money saved. The rise in payments to consultants was demonstrated by figures from the Ministry of Agriculture, which spent £12 million in 1994 compared with £62,000 in 1987-88 in real terms.

In both reports the managerial recommendations proposed were based upon a similar organisational model drawn from the private sector: a multi-divisional organisation comprising a comparatively small head office which interacts with, and ultimately controls, relatively autonomous operating divisions. The role of the head office is to allocate capital, formulate strategy and monitor the financial status of units. In order for the divisions to be accountable, it is necessary for there to be a flow of information upwards, based primarily on performance. However, neither of the two reports addressed whether this form of management would be suitable for the services they were discussing. The fact that public service professionals make significant decisions regarding the deployment of resources and thus do not fit easily into this managerial model did not appear to be acknowledged.

According to Pollitt (1993), the public sector measures introduced were largely neo-Taylorist in character, in that flexibility and individual autonomy are only permitted within a tightly restricted framework with the output of workers being closely monitored and controlled. It is interesting to note that a substantial proportion of management literature advocates a shift towards post-fordism, that is, smaller units with greater flexibility and higher levels of autonomy or space for creativity and entrepreneurship, in recognition of the highly competitive environment in which companies have to operate, and the complexity and prevalence of powerful, high speed forms of communication and technology. There is often an emphasis upon
more 'liberative' forms of management to motivate staff and encourage the pursuit of excellence in order to gain a competitive advantage. The public sector measures established reflect a more control-focused form of management.

Over the last two decades, managerialist principles and practices have been transferred from private sector corporations and adapted to welfare state services, originally at the instigation of the Thatcher administration. Central government has sought to shift the balance of powers within the public domain in order that demands for reduced spending are met. Economic instability during the 1970s, particularly following the IMF crisis in 1976, undermined the political assumption of the possibility of continual growth in public expenditure. The shift in the political and economic foundation underlying the public administration paradigm resulted in the political acceptability of a new efficiency paradigm within the public sector.

During the 1980s and 1990s, Conservative public sector policy centred largely around the themes of public accountability, consumer choice, value for money and the desirability of the influence of market forces. Much of the ensuing change within the public sector stemmed from a belief in its inefficiency, due to the absence of competition and the dominance of producer or professional interest. It has therefore been the intention of successive governments to increase efficiency and financial accountability, consequently reducing the level of professional dominance. The solution was held to lie in the application of market disciplines and increasing direct pressure upon organisations from above. The administrator role responsible for mediating between the politicians and professionals which had existed previously in
the ‘uncompetitive’ public sector has been transformed into a managerial role in order to exert pressure upon the service producer domain to achieve greater efficiency, whilst notions of public accountability have become attached to concepts such as ‘efficient resource allocation’, ‘competition’, ‘strategy’, ‘financial performance’ and ‘performativity’ (Public Management Foundation 1994).

The transformation of the governance of public sector services which occurred during this period was influenced by two contradictory objectives: the decentralisation and devolution of services, through either privatisation or partial ‘enterprisation’, and the retention of centralised control. Gamble (1988) referred to these apparently oppositional objectives as the ‘strong state, free market’ feature of New Right philosophy: a strong state is perceived to be essential for the smooth running of a free market as market relations are considered to need protection from possible destabilising forces. Successive Conservative governments were committed to withdrawing from direct engagement in service provision, seeking instead to maintain an indirect supervisory role. Little has changed in terms of levels of control under subsequent Labour administrations. The state therefore operates indirectly through new forms of control in the shape of apparently apolitical independent regulators. Consequently, those areas of public sector service that have been granted autonomy remain answerable to governmental agencies established for the purpose, agencies whose task it is to articulate managerialist principles and strategies in relation to agendas set by the state.
A key instrument in reconciling these two conflicting tendencies has been the introduction of audit and accounting practices. According to Power (1994), audits have become central within all spheres of public sector activity as a form of administrative and also managerial control. Successive Conservative administrations consciously promoted the concept of audit, borrowed again from the private sector, through the establishment in the early 1980s of the National Audit Office and the Audit Commission which were made responsible for consolidating the audit resources of central and local government respectively and for providing an institutional focus for addressing the economy, efficiency and effectiveness of publicly funded services. In addition, the concept of audit has a number of favourable connotations, being linked with transparency, efficiency, independent validation and prudence, making it an attractive governmental option.

Although some of the audits which have been introduced within public sector institutions are intended to be internal appraisals of performance, their validity and authority stem from their capacity to be used externally. Power (1994) contends that the practice of audit is not merely a technical response to problems of governance and accountability, but also actively shapes the activities it oversees in relation to a specific conception of accountability, in that practices and environments are made auditable, being structured around the need to be monitored. For example, one area of contestation among public sector professionals is the use of league tables to measure the performance of schools. While league tables were introduced ostensibly to provide parents with information about the performance of their local schools, there was also a control agenda underlying their introduction. Activities within
schools are now frequently structured around the need to perform well within the relevant tests rather than focusing upon providing high levels of education for all across a range of areas.

Another contentious issue, particularly among politicians and public sector professionals, is the use of audit to assess 'value for money' and consequently the appropriateness of existing or increased levels of funding. The political neutrality of 'value for money' auditing has been questioned. The three areas in which auditees are scrutinised are economy, efficiency and effectiveness, which although in the private sector constitutes a relatively unproblematic exercise given the existence of profitability as a measure, has conceptual and practical limitations when applied to public services. Audit, by its very nature, favours the quantitative over the qualitative: that which can be measured in standardised economic and financial terms is easier to regulate than that which is more ambiguous and local. Pollitt defines "economy as the minimization of programme inputs, efficiency as the relation between inputs and outputs and effectiveness as the degree to which programme outcomes match the original programme objectives" (1993: 59). Efficiency and economy are able to be quantified relatively simply, although effectiveness, particularly in terms of performance and quality, is harder to measure. There has been widespread debate as to what constitutes quality and the extent to which this may be measured. Within 'value for money' audits, either measures of effectiveness tend to be standardised or effectiveness is reduced to standardised measures of efficiency and economy. As Power argues "Either way, there is a necessary drift
towards centralised forms of control and the displacement of concerns about good policy by concerns about good management."

There has been a marked tendency to concentrate on ‘inputs’ or rather cost within the public sector, due primarily to the fact that most of the ‘outputs’ of the public services are either ambiguous in terms of measurement or their attribution is the preserve of the service expert. Within this context, efficiency comes to be seen in terms of cost-saving for existing levels of service provision, rather than an improved relationship between inputs and outputs. Audit necessarily involves a displacement of control from first order experts like teachers or doctors to second order experts, such as accountants and managers. One of the consequences of this new emphasis upon economy, efficiency and effectiveness has been a shift from the value-laden language of teaching and care, to a more abstract financial and quantitative discourse both within government and public sector management. Power has shifted from public service professionals towards auditors and quality assurance inspectors due to their control of the terms of public discourse.

Public sector professionals

Managerialism has profound implications for those working within the public sector institutions where managerialist principles have come to bear, both in terms of their working practices and the status of their knowledge. Transformations in professional identity, working relationships and training regimes have been experienced by professional workers within different public sector institutions, as a result of the
changes in work organisation which serve to sustain the installation of new managerial controls. The majority of public service producers are professionals, deriving their legitimacy from their possession of knowledge and expertise. The 1950s and 1960s, an era of growth in the public services and consensus as to the allocation of welfare expenditure, was also a period of professional dominance characterised by public and political trust in professional judgements and solutions to problems (Public Management Foundation 1994). The area of policy implementation was left relatively undefined by politicians, and was consequently appropriated by the body of professionals involved. Professionals also had a strong influence upon the formulation of public service policy.

During this period of public administration, an administrative sector was responsible for negotiating and mediating between the political domain with its promotion of political objectives, and the professional domain with its values deriving from its fields of expertise. Where the two domains intersect, with their differing value systems and bases of legitimation, is a contested area. The administrative role has now been replaced by a managerial role, in a context where political objectives are being more closely defined and are increasingly clashing with the values of professional groups. Managers are now held responsible for agreed tasks to implement political objectives, having fiscal, efficiency and effectiveness accountability.

Although there is political acknowledgement that private sector business techniques cannot be transferred wholesale to the public sector, it is nevertheless considered that
private sector concerns such as efficient resource utilisation and quality control may positively influence public sector practice. In the private sector, organisations tend to be structured around the need for profit. The absence of this pervasive motive in the public sector however is not thought to inhibit the need for the quantification of resources, performance and quality. There are other disparities between public and private sector practice such as the existence of multiple customers for public service products, rather than the one customer per product in the private sector. Education, for example, serves not only the child but also the parents and future employers, all of whom may have differing requirements. One of the particularly distinctive tasks of the public sector is to balance the needs of different 'customers'. Another prominent feature of the public sector is its concern with need rather than consumer demand, being traditionally concerned with equity and bound up with notions of citizenship rather than consumption.

Another distinction is that between classic bureaucracy (what Mintzberg refers to as 'machine bureaucracy') and professional bureaucracy. In many companies and organisations the process of defining what their customer wants and how the service should operate is relatively straightforward, affording upper management a greater degree of control over the delivery of services: the customer makes a choice from a predefined selection which is then delivered. A machine bureaucracy is one in which it is possible for the organisation to be designed in order to deliver what management decide. Although some examples of machine bureaucracy may be found in the public sector, such as the benefits delivery service provided by the
Department of Social Security which provides a limited range of services within a highly specified framework, most of the public sector does not fall into this category.

Many of those who come into contact with public services, whether health, education or social services, do so in a problematic manner, necessarily involving individual decisions and judgements made by the staff who deal with them. Front-line staff such as doctors, teachers and social workers need to be able to exercise professional judgement in order to classify and deal appropriately with the individuals presenting themselves: for example, a doctor needs to be able to interpret a set of symptoms in order to arrive at a diagnosis before recommending treatment, while within education, although a nationally defined curriculum may be used, how this is applied and adapted for each child is the responsibility of the teacher. If managerial systems more appropriate to a machine bureaucracy are introduced within a predominantly professional bureaucratic framework, professional staff may be disempowered from making crucial professional judgements. There is debate however as to whether this constitutes de-professionalisation or a re-professionalisation.

Professional groups have tended to have their own forms of accountability, which if not acknowledged by the managerial sector leads to a dichotomy between professional accountability and managerial imperative. Given the political requirement for restraint in public spending, managers are obliged to constrain and control professional demands for funds. Public service providers have traditionally had considerable professional autonomy and where this has been eroded, a degree of
friction between professionals and the managerial cadres apparently appropriating it has tended to result.

Managerialism as a cultural form and a political strategy

Public sector managerialism is characterised by the belief that the objectives of social services can be promoted at a lower cost when the appropriate management techniques are applied. In addition to the structural, organisational and procedural changes within the public sector brought about through legislative pressure, the introduction of managerialism has manifested itself in the emergence of a different (albeit contested) organisational culture. The changes within public services are reflected discursively, in that the language used, while not displacing the discourse of traditional public service values, now incorporates many of the managerialist preoccupations - value for money, resource efficiency, quality and competition, with practices such as appraisals, audits and purchasing/providing being used with an increasing frequency. Central government has sought to make public services operate more cheaply and become more business-like, both directly through legislation and indirectly through the creation of a climate of opinion.

The sponsorship of business schools, the links between education and industry and the general elevation in the status of the practice of management both through its introduction in public services and through the employment of management consultants to aid governmental departments, have all contributed to the development of managerialism as a prevalent cultural theme, possibly to the extent that Britain could be characterised as having a managerial state.
As Grey and Mitev note,

in many policy areas, the invocation of the ‘businessman’ (sic) as the fount of all knowledge has been widespread. Thus business men are seen to offer a unique insight into education, social work and healthcare, as well as economic policy. Within this general lionization of managers, management education became an almost uniquely favoured field of academia.

1995: 85

Within the context of Thatcherite and post-Thatcherite Britain, there is a fundamental link between managerialism as a cultural form and as a political strategy. It must be noted that part of the political strategy entailed in the widespread introduction of managerialism was that it should become a cultural form. The introduction of elements of the discourse of business and the market into an area in which it was previously absent is not merely a consequence of the structural and policy changes initiated, but may be seen as a strategy in its own right: policy changes have been conceptualised in terms of this discourse. The implantation of a new orthodoxy has been attempted to a certain degree through discourse and discursive practices: a shift in hegemony involves the introduction of a new conception of the world and a shift in consciousness (Hall 1988). The managerialisation of public sector discourse is a central facet of managerialism as a cultural form.
In addition to the structural organisational changes detailed above which have occurred from the 1980s onwards, the pressures of cost-cutting and demands for accountability and 'value for money' have resulted in changes in forms of employee management, which have become evident particularly in the widespread installation of what have come to be known as 'human resource management' practices and policies. Taking its cue from the private sector, the public sector has adopted practices and strategies which claim to enable organisations to achieve maximum effectiveness through the commitment, flexibility and responsiveness of its staff. Both the shape of organisations and the 'human resources' employed within them have been subject to realignment with the new competitive realities and concomitant drive for cost-effectiveness that have become a central feature within the private and latterly public sectors. A logical conduit for managerialism is through human resource management.

Since the late 1980s, a shift has occurred within management discourse, particularly in the area of employee relations. What was previously known as 'personnel management' has since become 'human resource management' (HRM). Although it is not a new term, having been in evidence in the US for some time, human resource management is now very much in vogue. The movement towards HRM may be identified in the changes seen in organisational departments, and book and journal titles, and its inclusion within all UK MBA programmes. For some analysts, the change in title is purely superficial (Armstrong 1987), while others consider it to

---

31 Part of this section has appeared in Esland, G. et al (1999)
signify a considerable shift in both employee management practices and underlying principles (see Guest 1987: 506).

A number of writers have attempted to analyse the differences between personnel management and human resource management (see Guest 1987; Sisson 1989; Legge 1989). Although as Guest (1987) contends there are considerable problems in making a comparison between personnel management and human resource management, predominantly due to a lack of empirical research on these two modes of management, it is possible to identify a number of assumptions within the literature as to the differences between the two. What is frequently noted as the key difference between the ‘old’ personnel management and the ‘new’ human resource management is the emphasis upon a coherence between organisational strategy and the management of employees, and the assumption that employees can make a major contribution to an organisation’s efficiency and effectiveness if organised, developed and trained in line with organisational goals. Ezzamel et al (1996) note that underlying personnel management is a philosophy which emphasises localised problem-solving, whereas HRM entails a more holistic approach. The human resource function aims to both deliver and develop the ‘human capital’ considered to be the source of competitive advantage by increasing employee commitment to and identification with organisational goals (Alvares 1997).

There is debate within the literature as to whether human resource management is as widely practised within organisations as the hype surrounding it suggests. As Guest notes, “there is a danger of confusing ‘management thinkers’ with management
practitioners and assuming that because human resource management is being discussed it is also being practised" (1987: 505). Although this may well be the case within the private sector, the managerialist practices which have been introduced within the public sector show all the hallmarks of having been influenced by the principles underlying human resource management.

HRM tends to be considered to comprise a number of heterogeneous techniques and practices, which include human resource planning, recruitment and selection, performance appraisal, 'reward' systems, training and development, and collective employee relations. Townley (1993) notes that despite the apparent heterogeneity of practices falling under the umbrella of HRM, the underlying theoretical model tends to draw upon a systems maintenance or functionalist perspective:

From this perspective HRM is the black box of production, where organizational inputs - employees - are selected, appraised, trained, developed, and remunerated to deliver the required output of labor.

Townley 1993: 518

Human resource management is therefore used as an organisational mechanism for the attainment of specific goals. Within the public sector, organisational goals tend to have been circumscribed and defined by the financial restraints placed upon it by successive governments. The emphasis upon 'economy, efficiency and effectiveness' has made the use of human resource management tools within the public sector a seemingly natural choice ideologically, given the emphasis upon raising productivity rates without increasing budgets. Indeed, the utilisation of some of these
management tools has been identified as a defining characteristic of public sector managerialism:

Target-setting, performance indicators, various forms of activity budgeting, staff appraisal, merit pay - all seem to hang together as complementary elements in a single vision of more tightly focused, financially disciplined, performance-conscious management.

Pollitt 1990: 113

The utilisation of human resource management policies and practices within the public sector is more a reaction to the structural reorganisation which has taken place rather than an integral element of it (Ezzamel et al, 1996: 66).

One of the key features of both managerialism and human resource management is the extension of appraisal systems to groups of employees who were previously unaffected. With the competitive conditions that the introduction of internal markets has brought, budgetary pressures, governmental demands to demonstrate efficiency and value for money, and a slimmed down, 'lean' workforce, there is no room for under-achievers: appraisals therefore perform the function of ensuring high levels of performance. Appraisals constitute a central management tool which, it is claimed within management rhetoric, enable the matching of human resources to the strategies and directions of the organisation, and as noted in chapter two are widespread in organisational use.

According to Townley (1989), there is an increasing importance placed upon extra-functional, 'social' skills and attributes within appraisal systems. Attitudinal and
behavioural criteria are judged alongside technical knowledge and ability, that is, “those normative and ideological requirements defined as necessary to the task but not related to its technical fulfilment” (Offe 1976: 28, quoted in Townley). Indeed, Townley argues that alongside their monitoring and disciplinary role, the reinforcement of behavioural norms constitutes a central function of appraisal systems.

The training and development of employees in many organisations is linked to staff appraisals. The employee is supposed to identify weaknesses or gaps in their skill or knowledge bases which can, with the aid of appropriate training or development programmes be overcome. In this way, what is essentially a management device is presented as a means of employee empowerment: the employee takes responsibility for his or her own training needs and means of occupational advancement. The underlying rationale is that if the quality of the staff is improved then the performance of the organisation is also enhanced (Ezzamel et al: 67). Key tools in the process of inventorying an individual’s skills and weaknesses are competencies and other performance indicators. Boyatzis (1982) defines an occupational competency as an underlying characteristic of a person that is causally related to effective or superior performance. Although he argues that competencies should be seen as distinct from behaviours, he acknowledges that often the two are conflated.

The concept of competencies has become central to the new organisational landscape, due partly to the influence of professional bodies such as the National Councils for Vocational Qualifications (NCVQ, now the QCA) and the Management
Charter Initiative (MCI). With the emphasis on higher levels of performance along with reduced costs, the use of competencies holds the promise of providing the ability to produce measurable improvements. Notions of ‘competence’ often feature as part of an overall human resources plan (Schuler and Jackson, 1987; Burgoyne, 1993). Competencies are a key mechanism by which organisational strategy becomes operationalised: recruitment, selection, appraisals, and training and development programmes are all articulated in terms of ‘competencies’. The attraction of the competence approach is that it appears to offer quantifiable, ‘objective’ yardsticks against which to assess the level of fit between job requirements and personal characteristics, and the level of compatibility between training programmes and organisational goals and therefore whether they offer ‘value for money’.

One respondent interviewed made explicit the relationship between organisational performance, competencies and management education programmes:

So very often, a company arrives here with, “Here is a new strategy, here are the changes we need to implement to achieve that new strategy, here are the capabilities and competencies we believe we need from our management team to deliver those changes, here is an analysis of our own managers in terms of the capabilities and competencies that they’ve got, here are the gaps, can you fill the gaps?”.... [With other companies] we would actually go in, diagnose any needs, devise and agree a set of competencies, diagnose individuals against those competencies, identify the gaps, map the gaps onto our programmes which are themselves defined in competence terms, and then show what programmes each individual ought to do to meet the gaps, and then be able to show subsequent to the
programme the extent to which that individual has improved his or her performance as a consequence of that gap-filling process.

Director of Programmes, Business School A

Burgoyne argues that the functionalist methodology underlying the competence movement has long been discredited within organisational theory. The assumption of an overarching organisational goal within which skills and behaviours may be identified which constitute a 'competent' contribution at various stages, Burgoyne characterises as 'naive' (1993: 9). The concept of 'competencies' has been extensively critiqued by a number of writers (Hyland 1991, 1993, 1994; Smithers 1993; Marshall 1991; Bates 1991; Eraut 1994) for its emphasis upon what a person can do rather than what a person knows, in other words, for the privileging of behaviour over knowledge. Competence-based forms of education draw upon the principles of behavioural psychology in that requisite behavioural outcomes are believed to be able to be produced through exposure to particular inputs. Learning is shaped through the specification and measurement of behavioural outcomes. The role of individual agency in the construction of meaning is thus largely overlooked.

Foucault (1991) makes a distinction between two categories of knowledge: connaissance, in which the subject or the knower is unchanged by the acquisition of knowledge, and savoir, whereby the knower's sense of self undergoes transformation (Marginson 1995). Following from this, the competence movement appears to embrace a 'connaissance' approach to knowledge, with knowledge acquisition being reduced to the progressive accumulation of a particular set of skills. The liberal educational tradition aims towards a more 'savoir' orientated or transformatory
approach to knowledge. Competency-based strategies do not tend to concern themselves with processes of education and understanding, but rather place a greater importance upon measurement, assessment and accreditation.

**Governmentality**

A number of writers (Townley 1993, 1994; Rose, 1989; Burrell 1988) have drawn upon the work of Foucault, applying it to an analysis of organisations. Foucault's conceptualisations of power, knowledge and discipline have proved particularly valuable for the analysis of workplace practices. Foucault (1977) makes a distinction between traditional power and disciplinary power, which he identifies as the two modes of domination, which have prevailed historically within the Western world. For him, contemporary society is characterised by hidden disciplinary techniques which permeate everyday existence. The example *par excellence* for Foucault of the disciplinary mode of domination was the Panopticon, a prison designed by Jeremy Bentham, but never built. The Panopticon has a central observational tower which renders the inmates visible at all times, whilst allowing the observers to remain unseen. Central to its design is the premise that the very act of subjecting the prisoners to such surveillance will ensure they conform regardless of whether they are being watched.

Disciplinary power operates through the process of rendering something or someone visible: as Townley (1993) phrases it, "before something can be governed or managed, it must first be known". Foucault referred to this disciplinary system in
which knowledge and power are so intimately conjoined, as ‘governmentality’ (Foucault 1979). Foucault understood the term ‘governmentality’ or ‘governmental rationality’ to refer to the activity of government. Foucault considered ‘government’ to refer to any activity which influences or shapes the behaviour of individuals, be it that of one’s self, within interpersonal relationships, within a social institution or a political context (Gordon 1991).

For Foucault, governmentality is underpinned by certain ‘techniques of power’ or of ‘power/knowledge’ which are intended to monitor, influence and control the conduct of individuals. According to Foucault, power is not a commodity which can be possessed; it is relational. Power resides in a network of relationships, becoming evident only when it is exercised: it lies within practices, procedures and techniques (Townley, 1993). Governmentality is dependent upon particular ways of knowing: through the collection and collation of data about populations, groups of people may be ordered, represented, calculated, regulated, administered, supervised and governed in various ways. Knowledge is necessary to the operation of disciplinary power.

Although Foucault did not apply these concepts to a study of work organisations, their relevance is undeniable. Townley (1993) offers a Foucauldian analysis of human resource management:

HRM serves to render organizations and their participants calculable arenas, offering through a variety of techniques, the means by which activities and individuals become knowable and governable. HRM disciplines the interior of the organization, organizing time, space, and movement within it. Through various techniques, tasks, behavior, and interactions are categorized and measured. HRM provides measurement of
both physical and subjective dimensions of labor offering a technology that renders individuals and their behavior predictable and calculable. In so doing, HRM helps to bridge the gap between promise and performance, between labor power and labor, and it organizes labor as a productive force.  

1993: 519

Key tools of HRM such as appraisals and the concept of 'competence' construct people as manageable, quantifiable entities. Data about employees and their abilities is able to be collected, and assessments and judgements are able to be made on the basis of such. Appraisals are not merely a technical response to problems of governance and accountability, but also actively shape the activities overseen in relation to a specific conception of accountability, in that practices and environments are *made* appraisable, being structured around the need to be monitored (Power 1994). Not only is there an attempt to align the goals of employees with the objectives of the organisation through the emphasis within appraisals upon self-development and self-advancement through training, but "the subjectivity of the worker has thus emerged as a complex territory to be explored, understood and regulated" (Rose 1989: 56). Through appraisal, the personal world of the individual is made public, visible and available for regulation.

In tandem with the emergence of the 'enterprise culture' and individualism propagated by the New Right during the 1980s and 1990s (Hall 1988), organisational cultures have also become 'individualised'. The enthusiasm for human resource management is a part of this development. Human resource tools such as appraisals and competencies tend to operate at the level of the individual: as Townley notes, "the focus on the productivity of the individual has the result of defining the
individual as the *unit* of work*. There has been a shift away from fixed ladders of career progression with merit and remuneration increasingly being decided on an individual basis. Role performance and self-perception then become mediated through the performance measurement system and performance-related pay. Responsibility for training and development has passed to the employee who now seeks to amass a portable portfolio of skills. The individual thereby becomes the analogue of flexible capitalism, being made responsible for systemic effects.

While the disciplinary power which Foucault saw as intrinsic to governmentality is central to the functioning of organisations, his focus was the manifestation of this form of domination within wider society. Foucault saw the development of governmentality as a trend which has been occurring largely since the 18th century. Economic, social and personal conduct is attempted to be aligned with socio-political objectives through an “ensemble formed by the institutions, procedures, analyses and reflections, the calculations and tactics, that allow the exercise of this very specific albeit complex form of power” (Foucault 1979: 20). According to Rose and Miller (1992), the activity of government comprises both ‘political rationalities’, that is, the justifications for and conceptualisations of the exercise of power, and ‘governmental technologies’, which are the techniques and procedures through which political programmes are attempted to be effected. While governmentality involves aspirations of accomplishing political programmes, the technologies of government involved in attempting to establish them may fall short of success or result in unexpected outcomes.
The promotion of the status and significance of management within contemporary society can be seen to be closely linked to the governmentality of the state. Governmentality has a discursive dimension in that different domains are both constructed and represented linguistically and thus made available for calculation, administration and intervention. As Miller and Rose point out, "Before one can seek to manage a domain such as an economy it is first necessary to conceptualise a set of processes and relations as an economy which is amenable to management" (1990: 6).

The state comprises a number of discourses which renders the operation of power more diffuse and localised than usually allowed for in more structuralist analyses. Although the manifestation of these discourses within different domains has systemic effects, it is not necessarily the case that they have systemic causes. A number of writers contend however that the cultivation of management as an element of statecraft constitutes an identifiable political objective. For example, Rose points to...

...the relations between governmental rationalities, social strategies, human technologies, and techniques of the self that have been brought into being by these new ways of thinking and acting on the economy, the workplace, and the worker. They have provided means for linking changing political objectives, the ceaseless quest of business for profitability, the demands for a source and basis for managerial authority, and the psyche of the worker. Through them new networks of power have been established, a web of calculations and technologies connecting macro-economic policy, the management of the enterprise, and the design of the labour process with human subjectivity itself.

1989: 60
The state-sponsored promotion of management and the use of management discourses within spheres outside those of business and commerce may be viewed as a political strategy to extend state control. Grey and Mitev point to

the development of a totalizing discourse of management as a way of organizing social and individual life.... So management has become a much wider issue than the control of work organizations. In this sense, management becomes a form of politics beyond the state.

1995: 84-85

Miller and Rose (1990) contend that the indirect mechanisms by which disciplinary power is exercised within contemporary societies enable 'government at a distance'. Despite individuals, organisations and entities existing and operating at a spatial and temporal distance, the sharing of common discourses may bring about a loose and indeterminate alignment between them. In this way, independent agents such as pressure groups, state departments, managers, teachers, academics etc “can be enrolled in a governmental network to the extent that it can translate the objectives and values of others into its own terms, to the extent that the arguments of another become consonant with and provide norms for its own ambitions and actions” (Miller and Rose 1990: 10). This loose network of alignment of interests can be further influenced by the provision of funds and resources by central government: the potential for the withholding of funds may provide an incentive to remain allied to the network (Rose and Miller 1992). Ostensibly independent agents may orient their policies to the agendas and values underlying the funding allocation,
particularly if the system operates as a market in which 'customer preferences' are
given support.

Fairclough (1989) refers to 'the technologization of discourse' to describe the
process whereby institutions or authorities intervene to try to shape discursive
practices as part of a wider attempt to bring about social, cultural or institutional
change. He notes that this is a contemporary phenomenon, particularly in the
institutional forms it takes. As Hall (1988) suggests, the Thatcherite struggle for
hegemony was attempted to a certain degree through discourse and discursive
practices. Meaning can never be entirely fixed or closed. The extent of hegemonic
closure depends upon the area in which the meaning is being negotiated: some areas
are able to achieve a greater degree of closure than others. A particular discourse is
based upon certain assumed and to some extent implicit knowledge. The successful
domination of a particular sphere of social life by a specific discourse results in the
definitions applied within that area being seen as natural and the result of common
sense. Shifting discursive practices are a facet of social change.

It is not only knowledge of those available for regulation which is intrinsic to the
operation of disciplinary power, but also the discourses and technologies of
expertise. Through the bodies of knowledge, actors and institutions which constitute
expertise, political concerns are translated for example into the vocabulary of
management, accounting, or social science. Rose and Miller (1992) suggest that
political use is made of experts in the hope that governmental practices will be
legitimated by appealing to assertions of truth rather than appearing to emerge from
the contested political arena. The discourses of management contribute both to the institutionalisation of economic activity and to the regulation of individuals through the shaping and controlling of human conduct. The deployment of these discourses within diverse contexts not only establishes a shared framework of understanding upon which to base a network of alignment, but also provides ostensibly neutral norms and values based upon claims of expertise. As a lecturer at Business School D notes,

...the power of managerial thinking is its power to transfer itself beyond itself, its power to claim for itself applicability in other kinds of context. So you can say - as New Labour do, for example - well there are these techniques which appear to be appropriate to running a large corporation, and there's no reason why they shouldn't be applied to a local government department, or to the education service or the health service, or to whatever it is. And for so long as you can say that this language transcends any difference in interest between people, and so long as that is a sustainable proposition or a believable proposition for people, then it enables you to adopt power - the operations of power, and yet appear to be power-free.

The introduction of management discourses within social contexts outside of the corporate milieu has been referred to by Fairclough as the 'marketization of discursive practices', that is, "the restructuring of the order of discourse on the model of more central market organizations" (1993). The reconceptualisation of practices and processes, particularly within the public sector in terms of a neo-liberal discourse serves an ideological function in that it attempts to contain the political by reducing it to the purely economic, i.e. choice and consumption. But as Miliband notes, "Markets are political, in that the results of choice and competition depend on the
rules that govern them” (1991). The use of management discourses is politically advantageous in that it not only enables the translation of political ideas and agendas into specific programmes of reform, but also draws upon the self-regulating capabilities of individuals (Miller and Rose 1990). Central to an understanding of governmentality is the principle that individual autonomy is not the reverse of political power but rather is intimately involved in its operation. Individuals are complicit to a certain extent in their own government. Personal choices are attempted to be brought into alignment with political objectives through self-regulating techniques based upon expertise (Rose and Miller 1992).

Market-based discourses may be viewed as comprising part of an ‘Enterprise Culture’ (Du Gay 1991) which was cultivated as part of the political and moral Thatcherite project during the 1980s and 1990s. Not only did this involve institutional reconstruction in line with the principles of private sector business practice as previously discussed, but also a reconstruction of the social body involving its inculcation with the characteristics and qualities of ‘enterprise’, such as self-reliance, individualism and the self-fulfilling pursuit of excellence. The Thatcherite project of economic regeneration was predicated upon a blurring of the boundaries between economic and cultural; as Jameson noted, “the corporate is now at one with culture” (1990: 29). The ideology of enterprise linked individual subjectivity with economic objectives: work was promoted as a route to self-development and self-realisation. Similar themes are evident in the discourse of HRM. Through the political cultivation of an ‘enterprise culture’, political objectives
were able to be linked with the economic concerns of the business lobby and techniques for the shaping of individual subjectivity (Du Gay 1991).

The permeation of business discourses throughout diverse social spheres raises the question of whether Foucault's concept of 'regimes of truth' may be applied to management knowledge. Regimes of truth are configurations of knowledge which allow particular assertions to operate as absolute truths: the discursive possibilities of interpretation are delimited by distinctions between 'true' and 'false' (Smart 1986). While management discourses clearly have hegemonic aspirations, it is by no means certain that management knowledge has enough discursive closure to operate as a regime of truth. It may be questioned whether it is the case that possible responses, or rather those recognised as having legitimacy, may only be formulated through the language and concepts of the management discourse or whether discursive challenges are available for use.

Rose and Miller (1992) note however that the tendency for fields of expertise such as medicine for example, to generate 'enclosures' of knowledge which may provide a challenge to political authority, have been able to be breached by the use of management discourses within the public sector. Enclosures of knowledge comprise certain bounded areas of expertise or technical skill which are able to maintain authority and control in the face of attempted appropriation. The technologies of power which underpin governmentality, that is, the multitude of inscriptive, calculative and representational devices and techniques for ordering and regulating particular areas of social life shift control from the practitioner to those responsible
for defining and conceptualising those inscriptions which structure the areas of practice being compared and evaluated. In this way, conceptualisations of managerialism and governmentality are intimately related: managerialism may be seen as one element in the operation of governmentality.

The operation of governmentality may be considered to provide a foundation for hegemony. Gramsci's (1971) conception of hegemony as based upon the values, interests and cultural norms of dominant social groups differs from Foucault's understanding. For Gramsci, the locus of hegemony is the everyday common sense beliefs and practices of the population, behind which the defining of social reality by dominant groups and expression by 'organic intellectuals' is hidden, coming to be seen as normal rather than the subject of contestation. Gramsci saw the willing consent of the masses as resulting in a certain degree of social cohesion.

For Foucault however, hegemony is not the coherent result of choices made by dominant groups, but rather resides within techniques, strategies and objectives. While disciplinary power inheres within arrangements of asymmetrical relations, he believed that those groups or individuals who gain from these networks of power cannot necessarily be said to have designed them for their own benefit. Foucault notes that the rationality of power forms "comprehensive systems: the logic is perfectly clear, the aims decipherable, and yet it is often the case that no one is there to have invented them, and few who can be said to have formulated them" (1980b: 95). For example, as discussed above, the central principle underlying the disciplinary power of surveillance is that it rests upon and is produced through the
individual monitoring of self. The success of these networks of relations of power lies in the creation of order and dependency rather than being the result of external control (Deetz 1992a).

In tandem with the spread of managerial and market-based discourses throughout many institutions and practices within society, it is possible to identify a process of commodification of knowledge which has occurred as part of a progressive industrialisation of education (Winter 1999). Although these trends may be identified throughout the education system, the business school presents the site par excellence where this process has occurred. By applying managerial concepts such as ‘customers’ and ‘markets’ to management education, both the teaching relationship and knowledge itself becomes commodified (Grey and Mitev 1995). Courses, the examination system and the accreditation economy are based upon a ‘possessive’ concept of knowledge rather than ‘relational’, in that meaning is considered to be ‘fixed’ with knowledge being able to be possessed as a commodity, rather than being the product of social relationships (Grey et al 1996).

Business school academics often refer to the MBA as a ‘product’ to be ‘sold’ which directly demonstrates the Marxian contention that capital subsumes knowledge artefacts for profit or competitive advantage. It is not necessary for a commodity to constitute a material object, only that its value is determined by whether it is able to be marketed for profit. According to Winter, “The commodity form is thus a displacement of meaning: the market acts as a self-justifying decision-making mechanism, prioritizing social activities according to a systematically limited reality
in which the meaning and value of artefacts, actions and people are reconstructed in terms of the restrictive logic of profit generation" (1999: 191).

The business school may be viewed as a form of cultural economy in that knowledge is able to be traded as a commodity: there is a supply of and demand for cultural products to meet a defined need. Courses are packaged, marketed and ultimately paid for and consumed. Academic qualifications thus constitute a currency of value which may be exchanged within an employment context (Winter 1999). Winter suggests that while the description of the trade in cultural commodities may not provide a wholly accurate representation of educational realities, it underlines the ideological pressures inherent within the application of market-based structures and discourses to an educational context.

**Corporate Colonisation**

Modern corporations arguably occupy a central role within society, not only producing and distributing social goods, but also influencing and shaping the lives of their workers, customers and other citizens (Alvesson and Willmott 1992). Corporate practices have wide-reaching effects, shaping individual identities, needs and desires (Lasch 1978; Pollay 1986), influencing the ways in which time is structured and impacting upon education and knowledge production (Esland and Cathcart 1981). Alvesson and Willmott also suggest that corporations should be held at least partially accountable for levels of unemployment, environmental pollution and social problems stemming from low grade employment and worker exploitation.
It is Deetz's (1992b) contention that modern democratic societies have become 'colonized' by corporate control: areas of society which were previously largely untouched by corporate processes have become annexed. It is possible to interpret the politically-driven manifestation of managerialist practices and discourses within a number of diverse social spheres in terms of this 'corporate colonization of the lifeworld'. Du Gay (1991) notes that while some manifestations of the conflation between the economic and the cultural may be identified as resulting from political reforms, other aspects may be seen as due to wider processes not peculiar to the UK. This accords with Mandel's (1978) suggestion that there is an historical imperative for cultural and institutional forms to become gradually subsumed within the logic of capitalism.

According to Deetz, modern corporations have become so powerful that democracy as it operates in practice has become compromised. The political, economic and social inequalities inherent within capitalist societies support a narrow and distorted system of interest development and representation. Deetz argues that commercial corporations are inherently undemocratic in that the technocracy of management prevails over the democracy of citizens. The reach of corporate control is largely hidden: "while the state's power is exercised primarily through restriction, corporate organisations provide 'disciplinary' structures embodied in routines and technologies that appear enabling and apolitical" (1992b: Pref.). Although Deetz's critique is based upon an analysis of US corporate behaviour, his discussion clearly has resonance for capitalist enterprises within the UK.
According to Deetz (1992a), organisations are rendered profoundly political entities through the privileging of certain interests over others, not only through the organisation’s mode of operation but also as embedded within their constitution. He contends that some interests are only ever represented as marginal and often appear merely as economic costs or commodities. He argues that the advantages inherent within the decision-making prerogative central to the managerial role have a historical basis rather than being acquired either through managerial efforts or consensual agreement. These advantages are then actively reproduced through discursive practices within the workplace as well as through the organisational structure. “In modern corporations such an advantage is not so much conceptualized as a right or legitimate but is unproblematically reproduced in routines and discourses. As such this privilege is treated as natural and neutral. The presumed neutrality makes understanding the political nature of organizations more difficult. Order, efficiency and effectiveness as values aid the reproduction of advantages already vested in an organizational form” (Deetz 1992a: 24).

Alvesson and Willmott (1992) note that while it is not reasonable to attribute the effects of ‘corporate colonization’ solely to the activities of managers, it is naïve to ascribe a value-neutrality and political impartiality to the role and position of managers and to then reflect this neutrality within management education. Managers do not merely carry out the wishes of their superiors, but are involved in negotiating differing demands and pressures. Alvesson and Willmott believe that while managerial discourses and practices are to some extent constructed by managers, they act in fact as constraints upon managers’ behaviour:
Managerial ideologies – notably a belief in their prerogative to manage – tie them to ideals and identities that, paradoxically, limit their options as they simultaneously appear to secure for them a position of relative power and influence.

Disciplinary configurations of power oblige individuals to accept organisational goals and objectives as their own; thus understood, those who are advantaged, while undoubtedly benefiting, are equally as subjected as those who are disadvantaged (Deetz 1992a).

It is possible to identify a nexus between governmental rationality, the political use of management and management discourses and the hegemonic process of corporate colonization. While the gradual conflation of the economic and the cultural inherent within the process of corporate colonization does appear to constitute an historical trend, the harnessing of the languages and techniques of management for political ends is not merely a response to economic needs but represents an element of statecraft. Management discourses establish both a conceptual and practical link between governmental concerns about economic productivity, the desire of capitalists to maximise economic advantage and the government of the subject, thereby shifting the boundaries of the appropriate sphere of politics and the activity of the state (Miller and Rose 1990).
Alongside the expansion in management education and the increased political emphasis upon management, an indication of the shift in the social and cultural significance of management has been the growth in business literature. Since the early 1980s, there has been a massive expansion in the publishing of business books, written both by academics appealing to a popular audience and by business people and consultants. The market for management literature has increased enormously, one estimate placing the growth in published books throughout the 1980s at 50 per cent (Davis 1989), with individual books able to achieve phenomenal worldwide sales (Wood 1989). The increase in demand for management books may be viewed as being at least partially attributable to the politically-derived cultural emphasis upon enterprise, individualism and self-help, in which work is promoted as a route to self-fulfilment, and development, training and the acquisition of skills become the responsibility of the individual. The route to becoming a better manager therefore comes to be identified with either the undertaking of management courses or the purchasing of self-help management books.

The market for management books may be broadly divided between the ‘academic’ and the ‘popular’ or ‘pragmatic’, although some overlap is inevitable given that most producers aim for a combination of the two (Alvesson 1990). Wood (1989) notes that a defining characteristic of this literature is the stance taken in relation to the issue of power and authority: it constitutes a central concern of the more academic works (i.e, Braverman 1974; Nichols 1969; Storey 1983), whilst the consultancy-
type books tend to ignore the political dimensions of management or leave the issue unproblematised.

Alvesson makes a further distinction within the academic category. He refers to academic pragmatics, who while based in academic institutions, tend to have a distinctly ‘managementcentric’ interest in the field (1990: 39). Although the more academic texts distance themselves from a specifically managementcentric view, there is necessarily a certain degree of interplay between the intellectual or theoretical and the pragmatic or technical. As will be discussed in chapter 6, these two demands for academic rigour and credibility and for practical value or relevance to management, may not always be mutually compatible.

Those management writers viewed as ‘gurus’ aim towards the popular end of the business book market, producing fairly generalised literature which is intended to provide guidance and possible solutions to structural and organizational problems for a range of companies32. Although there are many general books on management which tend to be aimed at practising managers who want to rectify knowledge shortfalls or improve performance, a large proportion of the literature used in business school courses tends to fall within distinct management disciplines, such as human resource management, strategic management or financial management; some providing models of ‘best practice’33, others adopting a more analytical approach34.

A number of publications deal with the more ‘personal’ aspects of the world of work,

---

such as time and stress-management, and managing interpersonal relations, while another subset within popular managerial literature comprises the self-learning manuals, which are often based upon versions of the MBA.

Thomas (1989) claims that 'popular' management texts are beginning to be used within formal curricula. He contends that the 'popular' and the 'academic' forms of knowledge exemplified within the business literature have become institutionalised within management education. Although 'popular' conceptions of management are not new with their emphasis upon practical, non-theoretical, informally-acquired knowledge, their acknowledgement within business school programmes is relatively recent. Thomas argues that the degree of tension between the two forms of knowledge is dependent upon the context within which it is found.

Within the private colleges and in-company courses it is the 'popular' culture which dominates and tensions are muted or non-existent. Within undergraduate business degree courses, the 'academic' culture prevails and tensions are similarly absent. But in the case of the university business school, the tension between 'popular' and 'academic' conceptions of management is at its most acute.

Thomas 1989: 25

Thomas believes the increased prominence of 'popular' management knowledge to indicate a cultural shift. Until the late 1980s, the academic conception of management appeared to have had the most influence upon the development of management education. Huczynski (1994) contends that despite the massive increase in business publishing, business school academics are still influential in deciding
which business ideas prevail, thereby acting as ‘gatekeepers’ to managerial knowledge.

Abrahamson (1996) however believes that management fashion setters such as management gurus or the business press, who are dedicated to producing and disseminating management knowledge, have a greater influence upon prevailing management trends than business schools. It is his contention that business schools may be perceived as trailing behind other sources of management knowledge which promote certain techniques as being at the forefront of management progress. The dissemination by trend-setters and adoption by practitioners of certain management fashions are a response both to the demand for innovative solutions, thereby satisfying a desire for progress, and to gaps in organisational knowledge or practice wrought by economic and technical changes.

According to Abrahamson, management fashions comprise ideas or techniques which experience a fairly transient growth in interest and popularity. He argues that fashions are the consequence of the social norms of rationality and progress: there is an expectation, particularly from organisational stakeholders such as shareholders, that managers will run organisations on a rational and efficient basis using constantly improving management practices. These expectations create the necessity for a flow of new or refined management techniques: management knowledge and beliefs are continuously redefined by management fashion setters, rather than being the arbitrary result of managerial behaviour or preference.
There has been little research done to ascertain the relationship between popular and academic publications and rhetoric. While management gurus or the business press may be able to influence managers directly by controlling the dissemination of ideas through their publications, academic fashion setters do so through more diffuse methods. In their study of the rhetoric of corporate culture, Barley et al (1988) found that rather than academic publications leading the dissemination of such management knowledge, the rhetoric developed within the popular management press influenced academic understandings of the area (Abrahamson 1996). In discussing the influence of management gurus upon business schools courses, one academic at Business School B noted that,

it's difficult to draw a dividing line between popular and academic. I mean, a lot of things that you would find on the shelves of the bookshop at Heathrow wouldn't appear in management courses. But yes, these ideas are generated often by consultants or gurus or practitioners rather than academics, and find their way into academic teaching. It's pragmatically-led as a subject area, rather than being developed through pure theory.

There has also been a growth in more critical management literature. During the past two decades, a significant contribution to the sociology of management has developed within business schools, coming to be known by its practitioners as 'critical management studies' (Frost 1980; Steffy & Grimes 1986). Critical organization theorists have tended recently to focus upon two broad areas of analysis (Mumby and Putnam 1992). In the first, there has been a shift away from an emphasis upon traditional forms of management to an acknowledgement of the
ideological and power implications of management practice within the workplace, influenced by post-structural (particularly Foucauldian) and Marxist forms of analysis (Aktouf 1992; Alvesson 1985; Clegg 1989; Deetz & Mumby 1990). In the second, the relationship between management theory and practice has been subject to critique, specifically the dialectical role of management theory, in that it both reflects and contributes to the nature of organizations (Knights & Morgan 1991; Knights 1992; Deetz 1992). In terms of the wider market for business books however, the more critical approaches to management tend to constitute a minority interest.

Conclusion

The promotion of management both as a political strategy and as an element of statecraft has clear cultural dimensions. The discourses and techniques of management were used by successive Conservative administrations throughout the 1980s and 1990s - and to a large extent have continued to be employed by subsequent Labour governments - as a unifying framework for a number of political programmes. Structural reforms of the public sector were rationalised through a discursive framework of management concepts and achieved through the installation of various management practices. An emphasis upon efficient management was also integral to the economic restructuring and deregulation of business practices which occurred throughout the period. The competitiveness of the UK economy was considered to partially derive from the ability of managers to manage efficiently: apparent problems with the supply-side of the economy (such as education and the constitution of the workforce) were addressed through an emphasis upon skills and
vocationalism, and the cultivation of an ‘enterprise culture’ based upon the individualistic pursuit of self-advancement and self-fulfilment.

In addition to being central to the political objectives of economic restructuring and reform of the public sector, the discourses and techniques of management have also provided a foundation for the operation of governmentality. As such, management has moved beyond the workplace to become an element of statecraft: individual subjectivity and conduct are able to be shaped by the discourses of management and the knowledge generated through the application of management concepts and practices. State control is able to be extended through the use of these totalizing discourses. Although the subsumption of areas of social life within the logic of capitalism is not restricted to the UK, elements of the corporate colonization thesis may be viewed as underlying the political agenda of the New Right. Political objectives, economic concerns and the lifeworld of the individual have been able to be linked through management discourses.

The expansion of the post-experience management education sector is clearly linked with the state-sponsorship of management. Although business schools are autonomous of the activities of the state to a certain extent, the political cultivation of a climate of opinion favourable to business and management has generated obvious benefits for the management education sector. Consequently, business schools have become significant cultural agencies and intermediaries. In the next two chapters, there is a shift of emphasis from the external context within which the business school operates to issues surrounding the business school itself. Chapter five
examines the content of generic MBA programmes and attempts to assess the factors influencing the development of curricula, while chapter six explores the impact upon management programmes of the relationship between the business school and its clients.
Within this chapter and the next, both the product and the market of the business school will be examined. The output of business schools comes in fairly circumscribed packages. Business schools may be involved in undergraduate, postgraduate, post-experience\textsuperscript{35} or research programmes, and often all of them. Individuals enrolling on these courses are either self-funded or can be sponsored by their employer. Many business schools now offer a tiered system of Certificate, Diploma and Masters qualifications, with the Certificate and the Diploma providing an entry route into the MBA for those without a degree or relevant levels of work experience, as well standing as qualifications in their own right. Many business schools also offer programmes for organisations, which can either be generic, or tailored to a particular company's requirements. These courses can range from short executive training courses in some aspect of management to qualification-based courses such as consortium or company MBA or Diploma programmes.

For the purposes of this study, the MBA was chosen to represent the activities of business schools, as for many, it comprises the main focus both in terms of the provision of revenue and as a source of credibility. As Golzen (1995) notes "the high visibility of the MBA concept increasingly makes [tertiary institutions] feel that they have to be able to offer an MBA to be taken seriously in the community and even in the academic world". In order to provide any sort of analysis or critique it is necessary to ascertain the sort of knowledge covered within an MBA programme and

\textsuperscript{35} Post-experience courses are those which tend to require a period of work experience – such as the MBA – prior to commencing the course.
to establish the extent to which this knowledge is common to all MBA programmes. Business schools have come to be significant political, economic and cultural agencies and intermediaries, integrally linked with the growth in the importance of management within the UK and as such constitute both a source and a disseminator of management knowledge, theories and ideas regarding best practice. This chapter considers the content of the MBA, looking in detail at a number of particular areas covered within it so as to assess the norms, values and agenda endorsed by business schools. The Strategy course from the MBA programme offered by Business School B is then analysed in detail in order to gain a deeper understanding of the prevailing management discourses. On the basis of this analysis and the responses of academics interviewed, the chapter considers various influences upon the curriculum and the implications of these. This chapter does not attempt to assess whether management is effective in what it aims to achieve or not, but instead examines the factors shaping management knowledge, the assumptions underlying this knowledge and the reasons why particular conceptions of management prevail over others.

Huczynski (1994) contends that academics within management departments in universities and business schools were the main source of the dissemination of management ideas, along with management consultants and in-house training personnel until the 1980s, when the boom in business book publishing allowed managers to access management ideas and knowledge directly, without using academics as intermediaries. He argues that despite this challenge to their position, management academics are still able to act as ‘gatekeepers’ upon the dissemination
of management knowledge, due to the expansion of the business school sector and developments such as the Management Charter Initiative (MCI).

It must be acknowledged that there is some diversity across institutions' programmes, and that the knowledge contained within an MBA programme is not entirely representative of the body of management knowledge as a whole which is broader and more diverse. There are enough similarities between programmes however for some generalisations to be made. The disciplines informing the development of the field of management knowledge vary widely, including those which may be found in other areas of the university such as psychology, accountancy, economics, mathematics and law, and professional areas which do not tend to be found outside of the business school such as marketing, human resource management and production management. Huczynski (1994) notes that there are a number of different sets of theories or 'families of ideas' which offer conflicting knowledge claims, but which are still part of the normal management studies curriculum.

The discourse surrounding the MBA is largely a market-based, managerialist one: many of the business school academics and organisations such as the Association of Business Schools and the Association of MBAs refer to the output of business schools as a 'product' and particular characteristics of a programme as 'selling points'. Although this market-based discourse is present throughout the education system, it is within business schools that it tends to be most prevalent. Business schools often refer to their activities as constituting a business. As such, the business
school has a ‘market’ for its ‘product’ that it attracts through advertising and liaising with potential clients, thereby generating revenue.

Business school curricula are shaped by a number of different influences and demands, ranging from the interests of the faculty to the characteristics of the market the school is attempting to attract. Unlike many traditional academic disciplines, the offerings of business schools are closely tied to their audience. In order to be accepted on to an MBA programme, it is usually necessary for a potential student to have had at least two years management experience, although some institutions take a more relaxed view of this requirement than others. As a manager, the student is both a client and a theoretical resource in that the student’s experience of management is made available to the business school academic to incorporate into the course, whether as an exemplar or so as to facilitate discussion: “Learning within an MBA programme is not simply a matter of existing knowledge coming either from staff or from students. It is a matter of creative interplay, of knowledge sparking between the two groups within the framework of a structured programme” (Sims et al 1994).

Miller and Money (1990) in their survey of the British MBA claim that the output of business schools has been influenced by the need for profitability, in order to ensure self-sufficiency. Although MBA programmes are necessary for a business school to maintain credibility, it is the short courses which provide much of the profit. European business schools, such as INSEAD, IMEDE and IMI, do not appear to be driven by the need for profitability to the same extent as British business schools, in
that loss-making MBA programmes will be subsidised by profits from shorter courses and corporate contributions (Manasian 1988).

Miller and Money differentiate between two types of business school: the traditional and the innovative. The 'traditional' business school has the MBA programme as its core offering, with shorter courses largely derived from it, and centres around contact with the academic staff. 'Innovative' MBA programmes are those which may be accomplished through a combination of distance learning, limited contact periods, in-company projects and limited theoretical content. These tend to be in-company or tailored courses (Miller and Money 1990). Manasian details the consortium scheme provided by City University Business School which

...requires participating companies to help devise the curriculum and supervise the study of employee-students.... [The students] each pursue their own course of study, filling in gaps in their education and background. They can attend courses anywhere that are approved by the business school and have to complete a project at their own company. The only direct role the school will have is administering a final oral examination.

Manasian 1988

The content of an MBA programme is shaped to a certain extent by the fact that the course must be judged to be of Masters Degree level. Within this remit, business schools must also allow for the fact that management theory and ideas should be able to be applied: the MBA should be a vocational as well as an academic qualification. These two imperatives necessarily create some tensions, although such tensions are

\[36\] Now Cass Business School
sometimes not acknowledged by management academics. According to Miller and Money (1990), the longer the duration of an MBA programme, the more likely it is to address theoretical concepts.

Content of the MBA

The purpose of the MBA is to train, develop and educate managers in the practice of managing the people, resources, finances and operations of an organisation. As such, the content of an MBA programme provides a source of public knowledge about how organisations should behave, how they should be run, and how they should relate to the people who work within them. When questioned as to how the content of an MBA programme is determined, the following responses were typical:

I think it's fairly well established what's in an MBA, a traditional one; [there are] certain things that all MBAs - virtually all, apart from the very fringe ones - would cover.

Programme Director of MBA, Business School B

...there's a kind of almost unspoken agreement that we've got to have a course in finance, we've got to have a course in marketing, we've got to have a course in human resources and so on.

Director of Research, Business School B

Although there may be common agreement as to what constitutes an MBA programme, there is no central template. It was noted by one of the respondents
interviewed (Lecturer, Business School B) that the Council of University Management Schools attempted to develop a model of the MBA, an attempt which was ultimately unsuccessful due to the fact that each university wished to retain the right to plan its own courses.

The Association of MBAs (AMBA) provides some degree of guidance as to the structure of an MBA programme, which has been detailed in chapter three. In order to achieve AMBA accreditation, institutions must satisfy a number of criteria relating to student and staff numbers, staff suitability, admission standards, business school identity, library and computing facilities, and the curriculum. Around a third of business schools in the UK have achieved accreditation. The discussion of course content that follows is based upon the programmes offered in accredited schools. Although accreditation takes into account curriculum issues, the AMBA does not dictate a particular framework for the curriculum. There are no national guidelines regarding the threshold criteria for the MBA within the UK. As the AMBA notes, "Given the number of schools and the variety of methods of delivery of the MBA, it is of course impossible to lay down any platonically ideal structure for the course" (Golzen 1995).

The Association of Business Schools (ABS) published a report (1998) in an attempt to clarify the benchmarks for the MBA qualification. The report echoes many of the criteria stipulated by the AMBA. Both the AMBA and the ABS emphasise the importance of the identity of the particular business school being separate from any university to which it may be attached. Both also acknowledge the necessity of a
dual approach to staff skills: staff should have academic credibility in terms of teaching and research, but should also have contacts with business and be engaged in consultancy work. The ABS Report acknowledges that this may translate in practice as balancing the strengths of staff across the faculty rather than all staff being engaged in both academic and commercial activity. The ABS suggests that business school academics should be up to date with current debates and issues within their area of management and be aware of the relationship between their field and other areas within the MBA. They should have had recent experience of the business world, either as the result of consultancy work, research within an organisation or actual managerial practice (ABS 1998).

There is broad agreement between the AMBA and the ABS as to the areas of knowledge that should be included within an MBA programme. In providing a broad body of knowledge in business administration, the MBA should cover Marketing, Business Strategy, Financial and Management Accounting, Managerial Economics, Human Resource Management, Quantitative Methods, Information Systems and Operations Management. The ABS report also suggests the inclusion of environmental factors affecting organisations, such as legal systems, international developments, ethical, social, economic, and technological change, and managing change. Many business schools offer courses in similar areas to these latter, but usually as electives rather than as part of the core curriculum. Of the business schools which have been accredited by the Association of MBAs (AMBA), a large number offer a core course in Business Environment which deals to a certain extent with the kind of factors suggested by the ABS report.
Although the overall structure of an MBA programme may be similar between institutions, individual business schools decide the specifics of course content. With the massive expansion of management education, business schools have proliferated; in this competitive market, business schools have sought to differentiate themselves from their competitors. According to one of the lecturers at Business School B, in recent years the MBA programmes offered by different institutions have been becoming progressively more dissimilar:

Well, what I was arguing earlier was that these [MBA courses] had tended to diverge and become fragmented, and I suppose I'd still rather stick to that than say that they are broadly similar. There is more difference than similarity, whereas twenty years ago there was more similarity than difference.

Lecturer, Business School B

Differentiation tends to be attempted by business school through the electives which are offered and the overall orientation of the course, for example towards international management, rather than through the courses which comprise the core of the MBA programme.

Cameron (2001) argues that in recognition of the organisational restructuring that has occurred since the 1980s which has led to less differentiation between junior and senior management, business schools have shifted away from programmes previously aimed towards senior managers with a strong emphasis upon strategy towards a combination of strategic focus and functional skill development. Reed and
Anthony (1992) believe that changes have taken place within many organisations, such as the erosion of functional boundaries and an increased emphasis upon teamwork, which will eventually diminish the reliance upon management specialisms such as accounting and personnel management and engender a kind of 'organizational professionalism'. Willmott (1994) notes however that little detail is given as to how this scenario will be achieved. According to the Director of Programmes at Business School A, the MBA curriculum is influenced by changes in the world of work:

The main things that influence the curriculum are... the range of social, economic, technical, political, market, environmental changes that influence business and the public sector, plus then our knowledge about the skills necessary to deal with that, plus our knowledge of how to deploy the learning technologies that include increasingly computer-based technologies - the Internet, video conferencing, computer conferencing and the like.

Based upon the programmes offered by the thirty four business schools accredited by the AMBA, the eight courses which are the most consistently offered as core courses are Organisational Behaviour, Marketing, Strategy, Human Resource Management (HRM), Financial Management, Operations Management, Business Environment and Information Management. Based upon the information found within the prospectuses of the accredited business schools, the content of the core courses is very similar. Although there are minor variations in the topics which are covered within the core courses and slight differences of emphasis, there is a large amount of agreement as to what each course is essentially about.
Twenty three out of the thirty four AMBA accredited business schools have a core course in Organisational Behaviour, thirty two of the business schools provide a course in Marketing, all thirty four cover Strategy, twenty four of the thirty four offer HRM, twenty nine include Financial Management as a core course, twenty seven have a course in Operations Management, sixteen provide a Business Environment course and seventeen of the business schools include Information Management. Of the five business schools which who do not provide Financial Management as a core course, two of them offer courses in Finance and Accounting, four of them offer Financial Reporting and two offer Business Economics. However, three of the five business schools which do not include Financial Management as a core course, do offer it to students as an elective. A number of the other core subjects above are also offered as electives by those business schools not providing compulsory courses on the subject: two further business schools offer electives in Marketing, six in HRM, three schools offer Operations Management, six include electives in Business Environment, and eleven business schools offer Information Management.

Although the electives offered by the business schools accredited by the AMBA vary from year to year and data on the electives offered is not exhaustive, the most common electives offered are: Innovation Management, Finance and Accounting, International Business, Management of Change, Project Management, Public Sector Management and Entrepreneurship. However, data is not available on what proportion of students attending the business schools offering these courses actually choose them. Twelve of the AMBA accredited business schools offer an elective in
Public Sector Management, seven in Environmental Management, and two in Women in Management. Four business schools provide a core course in Cross-Cultural Management, while a further five offer the subject as an elective. Of the AMBA accredited business schools, ten address the issue of business ethics within the MBA, with two offering the subject as a core course and nine as an elective. The position of ethical, environmental or feminist contributions to management knowledge will be discussed further in chapter 6.

Courses in Organisational Behaviour tend to cover quite a broad area, concerning themselves with the structure, design and culture of organisations, group dynamics and the behaviour of individuals. According to the Lancaster University Business School prospectus, the course on Organisational Behaviour draws upon concepts and models used within psychology, sociology and anthropology. Areas to be covered may include: theories of organisation; leadership and motivation; interpersonal communication and influence; co-ordination; perceptions of and attitudes to work; conflict and co-operation; job design; power; and organisational culture and ethics. The aim of courses in Organisational Behaviour is to provide an understanding of organisations and the people within them and the function of the manager in the areas of organisational design, co-ordination and control, in order to improve organisational performance. As this course aims to provide models and theories for the purpose of managing people in organisations, there is some overlap with the Human Resource Management courses offered.
Courses in Human Resource Management (HRM) are concerned with the effective management and utilisation of human resources in organisations for the purpose of achieving optimal organisational performance. HRM may be dealt with within the MBA programme from both a strategic and operational perspective. At a strategic level, HRM policies and activities are designed to support and reinforce more general business strategies and objectives. From an operational point of view, HRM is concerned with the design and implementation of procedures to optimise the day-to-day management of people in organisations. Among the issues which may be addressed within an HRM course are: recruitment and selection; assessment and appraisal; training and development; motivation; performance and remuneration; participation and involvement; managing conflict; and managing careers. HRM courses may also deal with wider organisational issues such as employee relations, employment law, responding to changing labour markets, the role of the psychological contract, trends in working patterns and HRM in international organisations.

The Marketing courses offered tend to centre upon the relationship between the organisation and the customer, and how to manipulate this in order to gain a competitive advantage. Marketing management is linked within the courses to strategic decisions made at higher organisational levels and with the operational decisions taken in other departments. Topics revolve around the customer, the product, marketing strategies and market research, and the processes of analysis, decision-making and implementation. Areas that tend to be covered are: customer characteristics and behaviour; demand estimation; product development; pricing
strategies; brand management; promotion and distribution; market segmentation; targeting and competitive positioning; strategy formulation and relationship marketing; marketing communications; competitor, industry and environmental analysis; and analysing markets and market research.

Courses in Financial Management concentrate on the investment and financial decisions of an organisation, that is, the allocation, management and funding of financial resources. Financial decisions ultimately underpin the workings of any organisation: the areas of management dealt with in the other core courses are intimately bound up with the management of financial resources. The aim of such courses is to facilitate the understanding, analysis and interpretation of various forms of financial information in order that the financial dimensions of management processes may be appreciated. Financial Management courses may deal with both short-term day-to-day working capital decisions and long-term issues such as major capital investment decisions and raising long-term finance. The link between company decision-making and the operation of capital markets is explored. Areas such as the scope and role of financial management and accounting, the objectives and process of financial reporting and strategic investment decisions tend to be covered in these courses. Issues to be addressed may include: income measurement; working capital management; long-term capital investment; sources of finance decisions; capital structure and dividend policy; risk measurement; leasing and other types of borrowing instruments; valuation of equity finance and rights issues; valuation of options; and international finance and investments.
Courses dealing with the functional area of Operations Management are concerned with how organisations may arrange available physical resources (technological, human, organisational and financial) in order to produce and deliver goods and services to meet customer requirements. Operations Management courses tend to be concerned with the processes involved in the design, implementation and revision of operating systems in both manufacturing and the service sector. Topics include: operations planning and strategy; management of systems and facilities; the role of inventories, types of production processes; design of processes and products; criteria for measuring performance; capacity management; work flow planning and scheduling; logistics and supply chain systems; throughput rates; quality management; and the relationship between operations management and other business functions.

The core courses in Information Management focus upon the strategic, organisational and managerial aspects of information systems and information technology in organisations, and their use, value and potential. The courses tend to be concerned with the development and implementation of information systems, the reasons for either the success or failure of particular systems and the analysis and presentation of information for the purposes of decision making, and measuring performance and service. Areas which may be covered include: the application of quantitative statistical methods to business data; evaluating data; the effective presentation of information; forecasting; risk analysis; business process re-engineering; strategic modelling; and systems dynamics.
Business Environment courses tend to be concerned with the place of business within the economic and political system. Some courses take a wider view than others: some focus primarily upon the UK, others take a more global perspective. Areas which may be covered include: management and international competitiveness within the context of global business; changes in the political, economic, social and technological environment; new business practices; the political environment and its impact upon the organisation; and the role of governments, unions and pressure groups. Topics which may be included are: measurements of economic activity; determinants of GDP; growth and inflation; market structures; the nature of competition; currency value and international competitiveness; employment, inflation and economic growth; and macro-economic forecasts and their value and limitations. Some of these courses appear to take a more sociological slant than others, focusing upon the rise of the service sector, post-industrialisation and the knowledge economy, the social organisation of work and processes of globalisation.

Strategy courses aim to provide an understanding of the processes whereby an organisation is able to arrange its operations and physical resources in order to achieve continuous high levels of performance. These courses aim to provide concepts, frameworks and methods which may be used for defining the long-term direction of the organisation. Strategy involves setting company objectives, choosing among alternative courses of action, allocating resources and evaluating outcomes. Topics may include planning and allocating resources, transaction costs, industry analysis, investment decisions, corporate strategy formation, outsourcing, organisational capabilities, alliances and strategic leadership, regulation, and the
management of change. Strategy courses are based to a certain extent upon concepts and ideas developed in other core courses, for example organisational strategy is often based upon financial considerations, and the formulation of business plans involves an appreciation of marketing.

The subject area of Strategy provides a certain degree of overlap with the other management disciplines offered as core courses. Within prospectuses, a number of the courses offered are linked to a notion of strategy: for example, HRM is sometimes referred to as Strategic Human Resources Management; likewise, Marketing is sometimes called Marketing Strategy. Given the centrality of this management discipline – other than Finance, Strategy is the only discipline which is offered as a core course by all of the AMBA accredited business schools – Strategy was chosen as a representation of the knowledge contained within the MBA as a whole. According to the Association of Business Schools (2005), business strategy should be a core integrative course for the MBA. Many of the concepts and themes which run throughout the MBA are embodied within the Strategy course. The following analysis is based upon the teaching texts used within the MBA programme at Business School B.
Strategy in depth

Within the MBA Strategy course of Business School B, strategy is defined as “the pattern of activities followed by an organisation in pursuit of its long-term purposes”. Through a process of planning, analysis and implementation, a company will ascertain and pursue a particular course of action in order to maximise its position. The Strategy course focuses upon the role of the manager in optimising “an organisation’s success through the creation of a dynamic match between the organisation and its environment”. Fundamental to most analyses and discussions of strategy is the conception of a ‘strategic fit’ between any opportunities open to the organisation and the internal resources and capabilities available to be marshalled. The profitability or otherwise of an organisation centres upon the extent to which its managers are able to use or develop its internal resources to take advantage of any external opportunities that may emerge. Discussions of strategy tend to focus upon the various elements involved in the relationship between internal resources and the external environment, and the best way of arranging them to maximise the potential for success, such as different configurations of organisational structure\(^{37}\) or models of organisation-environment adaptation\(^{38}\).

Within the course, a range of strategies is outlined along with the issues and criteria that may influence the choice of a particular strategy. The aim of the course is to assist students to evaluate the potential organisational strategies available and assess which would be the most successful. The Business School B course outlines a

\(^{37}\) See the work of Mintzberg (1979)

\(^{38}\) See Miles and Snow (1978)
number of generic strategies\textsuperscript{39} for students to consider, such as cost leadership, differentiation and focus. The strategy of ‘cost leadership’ involves an analysis of an organisation’s costs relative to its competitors and the identification of methods for attaining a cost advantage. A strategy based upon differentiation refers to the process whereby a company seeks to differentiate itself from its competitors by providing unique benefits, services or added value to its customers. A focus-based strategy is one whereby a company aims to pursue advantage as a result of cost leadership or differentiation but also by adopting a more narrow focus, targeting a particular market segment or sector rather than directing these strategies across a broad sector or industry. These generic strategies are then discussed, critiqued and the likely outcomes for companies pursuing these strategies are analysed.

The course suggests that there are a number of different levels of analysis on which strategies may be assessed. In addition to the generic strategies identified, it is proposed that the identification of sources of advantage available to the organisation and detailed product or market related knowledge would be also central to the identification of a successful strategy. The student is encouraged to examine the interrelationship between products, markets and the resources, capabilities and technologies available to the organisation, all of which variables may be subjected to change, development or innovation should it benefit the organisation.

As well as looking at external influences upon an organisation and its proposed strategy, the Strategy course examines internal factors, such as organisational structure, systems, culture and power. These areas are discussed in terms of their

\textsuperscript{39} As suggested by Porter (1985)
practical impact upon the implementation of strategy and strategic change, that is, as an adjunct to strategic processes. Students are encouraged to identify different structural types and components, evaluate the contribution particular systems make to formulating strategies, and assess the role the relationship between strategy, organisational structures and systems plays in generating organisational advantage. Among the systems outlined are internal instruments such as management information systems (for example, financial reports, project management); internal audits; human resource management arrangements (i.e. use of incentives and performance management); work practices like technology support and quality management techniques; and external instruments like performance benchmarks and evaluations by consultants. Organisational systems provide the information upon which strategies may be based.

Organisational culture is discussed in terms of rituals and routines, stories and myths and symbols. The Strategy course does not tend to take a particularly interpretative approach to culture, instead viewing it as an informal mechanism for coordination and control within organisations. Within the course, the culture of an organisation tends to be considered in terms of its physical manifestations such as any ceremonies and rituals, rather than discussed with reference to the interpersonal subjectivity of the workforce. The course does however make the distinction between organisational and corporate culture. The term 'corporate culture' refers to the values, interpretations, and preferred methods of the (usually senior) management of an organisation, whereas 'organisational culture' is much broader and may encompass a number of subcultures within an organisation. The course notes that
managers often conflate the two concepts, assuming that the values of management are shared by the whole organisation.

Power is considered as the ability to effect organisational outcomes and restructure situations. Within the course, power is considered largely in utilitarian terms, for example:

Effective managers use power in a variety of its many manifestations (position power, expert power, etc.) to get things done, to implement strategies, to achieve objectives. Therefore it is important to understand power structures and how to manage within them. This will include an understanding of the architecture of an organisation and the relationships within it.

Teaching text, Business School B; emphasis in original

Power is discussed in relation to how a manager may achieve the best organisational outcomes. Among the issues considered are the assessment of political capability, (that is calculating the power and influence of stakeholder groups and ascertaining which are allies) and the securing of a larger power base through the forming of coalitions and alliances. The identification and management of stakeholder interests is a recurring theme in Strategy. It is noted within the course that there are different interests and values both within and external to the organisation which need to be identified and managed. Power and political influence within society are discussed from a pluralist standpoint. It is assumed that the different stakeholders involved with and affected by a particular organisation’s activities have equal opportunity to exercise their influence. It is noted,
We may question the legitimacy and the ethical basis of some of these political lobbying activities as they may be deliberate tactics to reduce the influence of other stakeholders. In a democratic system, however, creating countervailing power by the exercise of influence of legitimate means is open to all parties. The problem may be more suitably considered to be one of an acceptable balance of power and resources between different stakeholders.

Teaching text, Business School B; emphasis in original

A stakeholder approach to strategy involves managing relationships between and balancing the objectives of different interested parties who bring resources or capabilities as part of their collaboration in an organisation. It tends to involve a manager in negotiating, compromising and prioritising between sometimes conflicting objectives. It is argued though within the course that even where other stakeholder interests are taken note of, it is generally accepted that a company’s first obligation is to its legal owners or shareholders. At the heart of the Strategy course is the concern with the optimisation of organisational performance through the exploitation of an organisation’s advantages. A key component of organisational strategy is seeking competitive advantage. Although strategic success may be defined in terms of efficiency and effectiveness, strategy is largely discussed with reference to profitability or competitive advantage. Although not-for-profit organisations are dealt with briefly, the dominant model appears to be that of the private sector.

It is possible to identify a number of themes running throughout the course which influence the definition of appropriate content: the need for the knowledge to be
applicable, the requirement that the knowledge offered correspond with the lived experience of the manager, the assumption of a competitive organisation model, the financially-driven basis of the knowledge and its lack of self-problematisation. These themes will now be examined in turn.

**Applicability**

The first two themes, of applicability and realism, provide legitimation for the course as a whole. The applicability of management knowledge is the extent to which it can be used within actual organisational situations, whereas the realism of the course is the degree to which it is consistent with the lived experience of management practitioners. MBA courses are promoted largely on the basis of their ‘relevance’ to the world of management. In the project carried out by the student towards the end of the MBA programme, the practical applications of the knowledge within the MBA “in the real world of organisations” are stressed. Within the prospectuses of the AMBA accredited institutions, the emphasis is upon providing the student with tools and techniques which will be of use within the world of business. Although prospectuses may be dismissed as marketing jargon, the fact that the utility of what the student will be taught and what the MBA will enable them to do are so heavily emphasised, provides an indication of what institutions believe to be strong ‘selling points’ for their MBA programme.

According to the AMBA (1995), there is a great demand for relevance in course content, which it claims business schools have gone some way to meeting, through:

---

40 Ashridge Business School prospectus
an emphasis upon practice rather than theory; the teaching of skills such as teamwork and leadership; the integration of elements of management disciplines (for example demonstrating the impact of finance upon marketing decisions); and the use of group work and case studies as key teaching methods. Students are believed to want concepts, techniques and skills, which as managers they will be able to use. According to the Director of Certificate and Diploma programmes at Business School B:

I think [the students] have a perfectly legitimate right to expect us to focus on practice, to focus on what is applicable.... And I think we can nevertheless try and construct within that, something which is academically coherent, but nevertheless can be researched and can be demonstrated does provide real benefits to individuals in terms of their performance - what they can and can’t do - and therefore is a worthwhile investment on the part of companies to put people through these programmes of learning.

Throughout the Strategy course, reference is made to the use-value of various ideas and techniques. Management strategy itself is described in terms of its utility, as a tool to increase organisational effectiveness. Within the text, various courses of action are discussed, different scenarios are envisaged, and the effectiveness or otherwise of each approach is assessed. The course aims to give students the information to choose what will work in a given situation in order to maximise their performance. The MBA is for managers and as such is necessarily partisan when considering the conditions and relations of employment. The essence of the managerial paradigm is the analysis and description of the world using a set of analytical perspectives which aim to optimise managerial practice and performance.
The emphasis upon the use of various techniques indicates a commitment to an instrumental rationality, that is, to discovering the means to achieving certain ends rather than questioning the desirability of the ends themselves.

Given the financial need for many business schools to attract students (a need which is not restricted to the subject of management within universities) and the applied nature of the MBA, the call for relevance from students is closely attended to. As the AMBA acknowledges, "The dilemma facing schools is how to strike the balance between the demands of relevance and those of academic rigour" (Golzen 1995). This is not a dilemma that was universally recognised by the academics interviewed. The Director of Programmes at business school A did not see any tension, or indeed difference between academic standards and expectations of relevance from clients: "I know of no case where a company has asked us to do things which would have undervalued or undermined our standards". However, a lecturer at Business School D felt that demands for relevance, for 'being in the real world', were more prevalent within management education than other academic disciplines:

...for a sociologist or a political scientist or a physicist or whatever, that there isn't that kind of challenge, certainly from the students. The students might think, 'he's a bad teacher' or 'she's a bad teacher', but I don't think there would be a fundamental questioning of the legitimacy of the knowledge as such.

Lecturer, Business School D
Although an academic qualification, the MBA accepts the terms and parameters of vocationalism: it caters for the vocational needs of managers. There is further discussion of the imperatives of these twin demands within the next chapter. Vocationalism, with its emphasis upon practice as paramount, has knowledge construction principles built within it. The discourse of vocationalism defines what may be accepted as valid knowledge and places powerful constraints upon questioning the basis of practice. This discourse occupies a central position within the MBA. The academic or more theoretical elements of the course also tend to be constructed around what is professionally practical and relevant for managers: “much of the academic content of [the] course will consist of ideas intended to help... make sense of organisational complexities” (Cameron 2001: 158). As Lupton (1978) argues, academic disciplines only have a utility within management education to the extent that they are able to contribute to the solution or understanding of organisational problems.

Within MBA programmes, the use of case studies may be considered to be the foremost manifestation of the pursuit of applicability. As Stewart suggests, “the background and education of management teachers, have made us over-rate the extent to which management is a knowing, as distinct from a doing, occupation. The case study, with its emphasis upon ‘what would you do?’ is an academic way of trying to overcome the dilemma” (1984: 329). The case study teaching method was first developed by the Harvard Law School (although now dropped by Harvard) and has been widely used within management education since. Case studies are considered to be a traditional mainstay of management pedagogy, providing students
with the opportunity to apply managerial concepts and techniques to representational organisational situations. The student is able to realise the use value of particular skills or theories through their application to ‘real life’ contexts. Cameron notes that students like case studies as “they give the impression of ‘reality’ and therefore of validity, of access to privileged information, of learning what really goes on” (2001: 160).

Within his case study of action learning used within a boat-building company, Rutter (2003) describes the gap between the traditional strategic management approach and the business problems the company faces. Rutter found that attempting to relate strategic management theoretical frameworks to practical business complexities revealed a lack of applicability within that particular context. There was not enough data of sufficient assurance concerning the boat-building industry to make an analysis of the market position or the environmental context of the company possible. The lack of certainty regarding historical facts undermined the traditional strategic management assumption that past trends and events can be evaluated and future outcomes predicted on the basis of such. Rutter notes,

My findings, therefore reinforced the theoretical arguments propounded by others, that while traditionalists argue there is a ‘correct’ interpretation of an organization’s environment that must be understood by the practitioner in order to make ‘correct’ strategic decisions (Lenz and Engledow 1986), these others rejected this rationalist approach because the environment is too complex and dynamic for objective analysis and that an analysis of how practitioners see their world would be of greater use.

2003: 468
Rutter also identifies the observational standpoint of the market analyst as a factor undermining the reliability of any interpretations. The industry and the markets under analysis will tend to be understood differently and varying meanings ascribed to the data, depending upon the experience and knowledge of the observer and which theory is being used. According to Willmott (1994), both critical management theorists, and mainstream academics and business leaders have voiced similar criticisms of established management education, although the two groups tend to pursue divergent agendas. There has been a questioning of the relevance and practical efficacy of much management theory. There does not appear to be a consensus on what organisational goals should be or on what the best means of achieving them are (Mintzberg 1989).

A lecturer at Business School B notes

I also think it's valuable if people do management research and actually test out whether this, that or the other idea actually leads to improved performance or not. And then, lo and behold, they usually discover it's awfully complicated and they can't get a definite answer anyway.... But that doesn't mean that the beliefs about this type of general management technique are well founded, because they certainly aren't. The knowledge base of management in that sense is extremely tenuous.

Although the applicability of knowledge is a significant factor influencing both curriculum construction and consumer demand for management programmes, as illustrated above, it may be questioned whether management knowledge has as great a utility as promised. One academic interviewed (Business School B) noted that the
origins of management education in large-scale manufacturing and industrial firms in North America and Europe has led to a reliance upon manufacturing-based cases and examples which may be inappropriate within contexts other than manufacturing, such as the service sector. Although there is greater allowance being made within textbooks for varying organisational contexts, "there's a great shadow of the past, as it were, and it's still out of date, so much basic teaching and ideas" (Lecturer, Business School B). As Rutter (2003) points out, the application of management knowledge is influenced by both the context within which it is used and the standpoint and experience of the individual applying it, both of which may affect its validity. It is assumed by both management practitioners and many management academics that there is a direct correspondence between the forms of representation used and the 'objectively apparent' world. The assumption that the reality depicted within management knowledge has an objective facticity is discussed further within chapter seven.

It is possible to identify a tension between the need for applicability and the claim to expertise exercised by business school staff. In order to justify their expertise, management educators have to be able to change or improve students' ways of thinking through the presentation of new knowledge; but in order to be applicable, management educators have to engage with the existing knowledge of the students, without reproducing it. The knowledge within management programmes has to be novel enough for management practitioners to feel they have access to privileged information but not so far removed from their experience of their everyday reality that students feel the knowledge is inapplicable.
Realism

Closely linked to the need for applicability which runs throughout the course, is the theme of realism. In order to be seen as legitimate knowledge in the eyes of the students, it is necessary for there to be some degree of correspondence between the situations, problems and solutions described within the course and the lived experience of management practitioners. The management knowledge offered has to satisfy a 'reality test' for students. The basis of much management knowledge is what will have salience in real situations: a particular view of reality is therefore sustained within management courses. The fundamental framework of understanding within which most of the students operate does not tend to be problematised. The course tends to be concerned with a more efficient realisation of organisational ends rather than a questioning of the ends themselves. There is consequently an emphasis upon organisational problems, the development of potential solutions and methods of increasing organisational performance. Organisations tend to be presented as purposive entities with the role of the manager being to create unity out of diversity through the deployment of particular organisational structures, systems and forms of leadership (Lee and Piper 1986).

As a management course, organisations and organisational practices are (almost self-evidently) analysed and discussed within the MBA from the standpoint of the manager. This does lead however to a skewing of the vision of reality towards a particular perspective. As Locke notes, there is a division between labour studies and management studies: business schools are "management’s academic home, a
place that scarcely concerns itself with labor, except as a problem with which management has to deal" (1996: 35). The lecturer at Business School D confirms Locke's claim, outlining the image of reality projected by the course:

I think rationalistic models of the firm certainly, and I think really conflict-free models of society.... a failure to see that there are divergent interests within the firm and within organisations, and hence within society.

According to Grey and Mitev (1995a) management education is characterised by a dichotomy between the 'real world' and 'academia', which may be understood as a dualism between 'theory' and 'practice'. As a certain level of theory is implicit within all practice, this dichotomy lacks some coherence, although it still has significance. The requirement that management academics impart knowledge of practical use in the 'real world' leads to a privileging of praxis over higher level theoretical constructs. "Mainstream management academics elevate the world of the practitioner as 'real' and, conversely, conceptualize their own world as not being real" (Grey and Mitev 1995a: 81). However, despite the emphasis upon praxis, a common complaint is that the MBA is 'too theoretical' (Mintzberg 1973).

Although there is a privileging of the 'real world' of management practice by both practitioners and academics, attempting to ascertain what actually occurs within organisations is not particularly straightforward. In his ethnographic study of managers in a Midlands engineering company, Watson (1996) suggests that the theories that managers claim to use to inform their practice do not always correspond
with the ones they may be observed using. King (1995) also notes a disjunction between theory and practice or between what management students claim to gain from the course and the practices they may be seen to use. King believes that management knowledge is constructed and shaped by the assessment practices within courses: students tailor their responses to what they believe will gain them the highest grade. This knowledge is then largely dismissed once back within a work environment. "Assessment is the most political of all educational processes: it is the area where issues of power are most at stake" (Heron 1981: 85).

According to Roberts (1996), the culture of consumerism within business schools creates a pressure for academics to portray the knowledge disseminated as fact. The teaching of techniques allows the academic a level of security about the knowledge taught, given the usually greater level of management experience brought to the relationship by the practitioner. Grey et al (1996) differentiate between 'possessive' and 'relational' concepts of knowledge. They argue that knowledge tends to be viewed as being 'fixed', that is, able to be possessed or traded as a commodity, a view which is reinforced by examination and accreditation systems. Commodified knowledge also offers a certain level of security. Grey et al contrast this view of knowledge with a more dynamic conception of knowledge whereby it is considered to be the product of social relationships rather than an objective representation of the world.
Notions of realism or relevance in terms of the management knowledge imparted upon MBA programmes are predicated upon a positivistic understanding of the world. It is assumed that an objective truth exists which is able to be discovered through the application of an appropriate scientific methodology. The ‘real world’ is considered to be objectively apparent and available for the description and representation of social facts, and that there is a direct correspondence between the two. Grey et al note,

If the central content of lectures is the scientific truth, as established by research about the ‘real world’, then the only admissible evidence of successful learning is the mastery of these truths. Any questioning of those truths, except when posed in terms of ‘relevant’ problems, is represented... as a failure to understand the subject, or as the importation of irrelevant material.

1996: 97

In order to be seen as relevant by students, management programmes have to acknowledge and engage with their lived experience as well as supplying them with new and useful knowledge, both of which imperatives create their own difficulties.

**Competition**

The following two themes, of competitiveness and of a cost-based world view, are linked, in that organisational competitiveness is often derived from a reduction in costs. Within the course, ‘strategy’ refers to the activities pursued by an organisation in order to optimise its success. Although the text acknowledges that the way that
the 'success' of an organisation is defined is dependent upon the sector or industry, it generally tends to be referred to in competitive, rather than collaborative, terms. Reference is made within the text to “the search for advantage”, organisational resources and capabilities are a “key competitive weapon”, while “competitive advantage... is a central concern of strategy”. Organisational performance tends to be measured in terms of profitability and market share: “the opportunity to earn supernormal profits within an industry depends on exploiting some competitive advantage within that industry”. Among the strategies discussed in order to increase organisational competitiveness are those of market domination, undermining any opposition, acquisition and merger.

Strategy is largely discussed in terms of practice in the private sector, where profitability and competitiveness are central concerns. As a Senior Lecturer at Business School B comments:

...there is quite a problem over incorporating voluntary sector, non-profit issues into the mainstream course.... there were severe limits in what you could do, because the dominant assumption [was that] there was a competitive strategy model. [The course writers] didn’t start from strategy as how you place yourself in your environment and what sorts of relationship, competitive or collaborative, you have with other organisations, and once you’ve presented it that way you can go off and explore some competitive models of strategy. It started from competitive strategy and then, by the way later on maybe you have collaborative relationships.... [it is] basically a private sector model, rather than as it were, more genuinely organisational frameworks.
Where there is discussion of public sector organisational practice, it is largely in managerialist terms. There is reference made to ‘performance indicators’, and ‘economy, efficiency and effectiveness’. As noted in chapter four, these phrases are central to a managerialist discourse. Managerialism involves the application of private sector management techniques, practices and ideologies in order to accomplish the objectives of public sector services at a lower cost. Thus, the discourse surrounding public sector managerialism emphasises competitiveness and efficiency, particularly as a consequence of the introduction of internal markets. Although public sector institutions are not-for-profit organisations and there are important differences between the sectors, such as the existence of multiple consumers of public sector services (rather than one customer per product), the adoption of many private sector objectives within the public sector has resulted in greater similarity in managerial practice than prior to public sector restructuring. Despite the notion of competitiveness having salience within management discourse for both public and private sectors, the reliance upon a private sector model leaves many considerations unique to not-for-profit organisations unaddressed.

More collaborative arrangements are discussed within the course, particularly in considering the position of stakeholders. Although the interests of those affected by the operation of an organisation are recognised, stakeholders are considered in terms of the benefits they may contribute to an organisation. Students are advised on the advantages of managing relationships with stakeholders, building alliances to increase their organisational power base or advantage and minimising the influence
of potential organisational threats. Competition is thus held to involve some degree of cooperation.

Although management discourses are the product of a particular social, political and historical context, they nevertheless order the possibilities for thought and speech, supporting and promoting particular social and economic arrangements. Management knowledge provides not only an interpretive framework for managers but also contributes to the institutionalisation of economic activity through the shaping and controlling of human conduct (Berger and Luckmann 1966). As noted in the previous chapter, the competitiveness discourse has permeated areas of life other than business and industry. The possible social consequences of the emphasis upon competitiveness and efficiency tend to fall outside of the remit of most management education programmes. Organisational practices which aim to increase efficiency, such as cost reduction and outsourcing, may contribute to greater job insecurity, longer working hours or higher levels of unemployment (Jackson and Carter 1995). The potential social costs of the application of management knowledge tend to go unacknowledged within most management programmes and thus the ethical framework underlying these practices is legitimated. Management ideologies tend to reinforce the prevailing characteristics of British individualistic capitalism. Within business schools, education is harnessed to the requirements of a capitalist economy. The nation state consequently struggles to reconcile its divergent interests: the paradigm of competitive expansionism and the costs of social fall-out.
Cost-based world view

At the heart of the much management knowledge is the need to add value to a particular business: management legitimises a cost-based view of the world. Cost-benefit analysis is at the heart of the functionalist approach which underpins much management knowledge. Phenomena and practices are analysed in terms of their positive or negative outcomes or functions, that is, on the basis of whether their benefit to an organisation will outweigh any costs. Therefore, central to any assessment of the costs or benefits to an organisation is the information derived from accounting practices.

The issue of cost underlies many strategic analyses and approaches. For example, among the generic strategies referred to above is that of ‘cost leadership’, whereby an organisation aims to be “the low-cost producer in its industry” through economies of scale. Another approach is a ‘cost focused strategy’ where a product or service is aimed towards a budget-conscious market. The emphasis of the latter strategy is largely upon the cost of the product rather than its production, although the two are clearly linked. A number of sources of cost advantage are identified within the course, including: economies of scale, economies of learning, production techniques, product design, input costs, capacity utilisation, and managerial or organisational efficiency. The focus of these approaches is to identify sources of competitive advantage, achievable through the reduction of costs or increase in efficiency.
In assessing the cost position of an organisation, the costs measured tend to be those internal to an organisation, rather than those external. The costs which are contributed to by an organisation, but which are outside it, may be referred to as externalities, that is, costs that are not borne by the organisation. The deregulation of business, which was particularly prevalent during the 1980s, resulted in many costs created by business becoming externalities and therefore the responsibility of taxpayers. Although the interests of stakeholders in an organisation are acknowledged, the emphasis tends to be on improving organisational performance in spite of the impact of externalities. Within management discourse, internal organisational costs predominate: the shifting of responsibility for social and environmental costs outside of the organisation thus tends to go unproblematised. Business ethics are largely addressed only to the extent that they impinge upon organisational practice or success, that is within a framework of technical rationality. In this respect, the cost-based world view upon which management knowledge is predicated incorporates costs only to the extent they affect the interests and position of the organisation rather than society as a whole.

Discussion and critique

Management knowledge tends to project an ideal form of socio-economic organisation, that is, how companies ought to operate. Within management literature, there are both descriptive and prescriptive elements: what managers do and what they ought to do. Although the MBA does acknowledge the complexities of the organisational world, the theoretical basis of management thought is derived
from ideal-typical understandings, such as those provided by neo-classical economics - the operation of organisations within a perfect market or with perfect competition. Many management techniques, being influenced by behaviourist principles, assume that the actions of others may be predicted and controlled (Roberts 1996). Focusing upon the practical application of management knowledge assumes that the theoretical assumptions upon which the knowledge is based are stable rather than in a state of flux.

Within most management education programmes, and particularly the MBA, the normative structure of capitalism tends to be built into the analytical framework, which is then largely taken for granted. It appears that a self-problematisation of the management knowledge within MBA programmes is largely absent. Although the course at Business School B urges the student to adopt "a critical, challenging approach - theories, models and frameworks should not be taken for granted", any analysis tends not to question the boundaries within which management practice takes place, but instead is largely self-confirming and self-contained. When discussing the context within which an organisation operates, that is, the interaction between an organisation and its environment, it is considered in terms of impacts upon the efficacy of the organisation and achieving a 'strategic fit' between the two. Issues tend to be discussed in terms of the optimisation of managerial practice and performance.

One case study within the Strategy course concerns the organisational strategy of the pharmaceutical company Glaxo during its launch of the anti-ulcerant drug Zantac.
The main competitor with Zantac was Smith-Kline's drug Tagamet, which had a dominant market share. Following the development of Tagamet, Glaxo determined to produce a compound that was similar, but marginally different in terms of chemical structure. Tagamet was launched in 1976 and had a 62 per cent share of a global market by the time Glaxo launched its drug in 1982. The strategy proposed by the chairman of Glaxo was to launch Zantac at a higher price than that of Tagamet, in order that it be "perceived as a superior product.... Zantac was therefore launched at price premiums of 80 per cent (UK), 60 per cent (Germany), 50 per cent (France), and 20 per cent (the USA) over Tagamet, depending on the circumstances of each individual market." Within the course material, it is stated that the product itself was only very slightly better than its competitor, but it succeeded in taking a larger share of the market as the result of a successful marketing campaign and the promotion of usage to prescribing doctors.

The case study is presented as an illustration of a successful organisational strategy:

Glaxo's success is probably mostly based on its ability to turn what were very minor product differences between Zantac and the entrenched competitor, Tagamet, into very large perceived differences in the minds of prescribing doctors. To some extent, it may be construed that Glaxo even created some of these perceived differences. Regardless of this, the company sent a very clear and consistent marketing message to doctors and rapidly built up a distinctive brand on the basis of its premium price
and ‘safe’ image. This consistent message was carried by its advertising, pricing and packaging.

Teaching text, Business School B

The discussion of the case study which follows in the text is entirely internally focused, dealing with the internal processes of organisational practice. External, contextual factors are not acknowledged: the normative boundaries surrounding such organisational practice are not questioned. For example, ethical considerations concerning the rectitude, or otherwise, of inflating the price of a drug which will then be purchased, in the case of the UK, by a national health service financed largely by tax-payers, are absent from the commentary.

Strategy, as a discourse and management practice emerged as a result of the development of capitalist markets and the consequent problems of distribution and consumption affecting capitalist organisations. Although the concepts surrounding organisational strategy assume the nature of truth, Knights (1992) contends that this discourse (as with others within management knowledge) is a product of power exercised by large corporations, government and business schools in a quest to generate understanding and therefore control of markets. Knights takes Porter’s model of strategy (1980, 1985) as the basis for his critique of positivistic management knowledge. Although Porter’s treatise appears to be based upon a mixture of consultancy work, academic research and common sense, none of these are treated problematically, with the representations of reality contained within the text claiming the status of scientific truth. Yet Knights claims on the basis of research carried out within the financial sector, that a successful application of
Porter’s model is problematic and possibly unachievable. If Porter’s strategies were considered ‘scientific’, and were applied within every business, it would not be possible for any one organisation to be able to achieve a competitive advantage.

Knights notes,

The ‘truth’ of his thesis is then dependent on it being adopted selectively or differentially rather than universally within an industry.... Clearly, Porter's theory of strategy is a form of knowledge that is only advantageous in competitive terms when combined with the exercise of unequal or differential power.... Because of the inevitable distortions in translation from text to management practice, Porter’s books can appear to offer rational solutions to business without these solutions being undermined by their application.

1992: 526

Knights contends that business is objectified within Porter’s work, in that the activities and subjectivities of those individuals comprising an organisation are not acknowledged. In order for representations to become ‘reality’, it is necessary for the consciousness or subjectivity which constructed them to be ignored or forgotten (Knights 1992).

Collin (1996) interviewed a small sample of former MBA students regarding whether either the assumptions underlying a mainstream management approach or the social and ideological context of management practice had been discussed. Although there was some questioning of management orthodoxy, a certain economic and political order was assumed and epistemological issues were not raised. Collins suggests that “the expectations that students bring to the MBA not only frame their learning but,
conveyed to tutors and, in some groups, perhaps even imposed on tutors through group norms, also frame what tutors attempt and therefore influence what other class members experience” (1996: 142).

Based upon the Strategy course, the MBA tends to deal with the pragmatic, in that it accepts the existing structures and prerequisites of an Anglo-Saxon capitalist system\(^41\). The MBA attempts to enhance processes operating within existing boundaries, rather than challenge the conditions of their operation. Although within the MBA, there is acknowledgement of the need for some kind of critique, it tends to focus upon the internal systems of organisations, rather than the normative boundaries that shape the conditions of organisational practice within a capitalist system. The reluctance of the MBA to recognise the socially constructed nature of the knowledge contained within it and its dependence upon the institutional structures, operations, and practices of those who consume management knowledge, results in a circumscription of what counts as valid knowledge. A consequence of the vocational paradigm is that practice is considered to be paramount, resulting in a lack of epistemological space to question the conditions of that practice, or the sociopolitical context from which it emerges. The MBA does not tend to acknowledge the sociological basis of its own knowledge system, which is written into its constitution. Although there is a limited attempt to disclaim some principles, the MBA is not prepared to step outside of capitalist ideology or to challenge the inequalities that arise from the application of the knowledge it propounds. In order to acknowledge

\(^41\) Keegan (1992) notes that 'Anglo-Saxon' capitalism (that is, the particular form that prevails within the US and the UK) is characterised by an emphasis upon short term performance, influenced by the stock market and banking system.
management knowledge as being socially constructed, MBA programmes would have to consider the political and institutional habituation and legitimation that contributed to its construction.

According to Alvesson and Willmott, when dealing with issues of power, mainstream management studies tend to "focus on the observable, explicit and superficial aspects of power and ideology – for example departures from formal lines of authority" (1992: 15) rather than subjecting them to serious analytical scrutiny. The MBA programme at Business School B acknowledges there are areas of contestation, such as in dealings with employees and external stakeholders, but does not tend to provide much theoretical underpinning for these issues, instead suggesting practical ways of dealing with any contestation, such as making concessions in some places in order to optimise an organisation’s position in other areas.

Although management education is for managers, it involves the privileging of managerial interests over the interests of other classes of workers. Alvesson and Willmott (1992) argue that management studies should include the voices and interests of those affected by the practices of management: workers, customers and citizens. They distinguish between management as a technical function, involved in the processes of production, and management as a socio-political phenomenon, that is, as a part of the social division of labour and its rewards. Alvesson and Willmott believe that management studies should have a non-technocratic agenda which acknowledges issues of power and ideology and gives voice to those who are
currently underrepresented within management discourse. Management knowledge within the MBA is presented to managers as being consensual and established, rather than as contested terrain: the validity of the experience and subjectivity of those subject to the operation of managerial power goes largely unacknowledged.

The non-problematisation of management knowledge within the MBA and the acceptance by managers of the principles embedded within the definition of practice may lead to a view of managers as contributing to the dominant ideological position of the capitalist system. Willmott notes:

As agents of capital, managers are seen to develop and/or implement strategies and structures that ensure productive subordination of labour to the demands of capital. Fundamentally, managerial work is thus understood to involve creating and maintaining a structure of relationships in which those who are ‘in control’ act in the interest of capital.

1984: 362

However, a narrowly structuralist interpretation of the purpose of management education does not take enough account of the extent to which workers willingly enter into and actively participate in practices which may be viewed as exploitative. Knights and Willmott (1989) contend that the technologies of power inherent within organisations, while being disciplinary mechanisms, are experienced to a certain extent as positive and productive of subjective meaning for individuals. Social identity and meaning are sought in practices which both reflect and reproduce relations of power: technologies and mechanisms of power operate through these
practices which are able to provide individuals with affirmation of their own subjectivity and identity.

It could also be argued that managers, as employees, are also subject to the demands of a capitalist economy (Elliott and Reynolds 2002). According to Deetz, the dominance of managers as a social group within organisations has not arisen from their desire for gain but is the result of "a set of practices and routines which constitute identities and experiences and in doing so provide unproblematic asymmetries, privileged knowledge, and expertise located in some and not others, and in doing so instantiate inclusions and exclusions in decisional processes" (1992a: 26-7). Like other employees, managers also secure meaning and identity, while also being constituted as subjects, through organisational practices and discourses which categorise and define the individual.

Conclusion

The MBA curriculum is broadly similar in most business schools, covering a number of core areas, although there are differences in emphasis. Although the conclusions drawn about the nature of management knowledge within this chapter are based largely upon an analysis of one course within one business school, the subject of strategy is taught by all of the accredited business schools, covering similar concepts, frameworks and methods for defining the long-term direction of a given organisation. Strategy also overlaps to a certain extent with other core organisational functions and areas of the MBA curriculum, such as Organisational Behaviour,
Human Resource Management and Marketing. Strategy courses aim to provide an understanding of the processes through which an organisation may be able to arrange its operations and physical resources in order to optimise its objectives. The assumptions underlying the discussions and analyses of the various relationships between organisations and wider society provide some indication of the norms, values and agendas endorsed by business schools regarding current employment practices.

As well as dealing with technical issues, the strategy course at Business School B also encompasses more sociologically derived concepts such as culture and power. Within this course however, the discussion of these two issues is largely utilitarian in nature. This theme runs throughout the MBA: the choice and presentation of management knowledge within the course is influenced by the extent to which managers will find it useful. The MBA, although a Masters level academic qualification in that it is awarded by university degree bodies, is essentially vocational in orientation. The discourse of vocationalism with its emphasis upon the primacy of praxis is deployed throughout the MBA. There is an expectation by both business and students that the MBA will comprise knowledge which is applicable, relevant and will be of use, which business schools try to meet through an emphasis upon skills and techniques and attempting to engage with the lived experience of management practitioners. The more theoretical elements of the course tend also to be constructed around the need for relevance.
Although the MBA presents ideal-typical models of organisational practices and optimal means of functioning, it also seeks a close relationship with the real-life world of the management practitioner. In order to provide a valid learning experience for students, it is necessary that the knowledge available to students is novel enough, and yet is not so far removed from their lived experience as management practitioners that it is viewed as of little utility. Through the use of existing management discourses to analyse and codify practices, the organisational reality of management practitioners is able to be reflected back at them for them to assess (Morgan 1990). Management knowledge appears to be constructed through a combination of consultancy, research, student input and common sense, influenced by notions of realism or relevance. Much of the management knowledge which comprises the MBA is based upon a positivistic understanding of the world, in that it is assumed that there is a direct correspondence between the means of representation and the objectively apparent world. The role of the management academic or practitioner in the creation or sustaining of forms of management knowledge is not acknowledged and the assumptions underlying its construction remain largely unproblematised.

Although understandably MBA programmes do not involve themselves with theoretical discussions regarding the deconstruction of management knowledge and the role of management discourses in the structuring of organisational reality, the interests of those affected by management practices and the potential social costs or inequalities generated by the application of management knowledge also fall outside of their remit. The question of the extent to which management knowledge has
contributed at all to certain working practices and patterns of employment does not tend to be considered: the social, political and ethical context within which management practice takes place is largely taken for granted. The MBA thus legitimates and promotes the normative structure of British individualistic capitalism. Although it is not possible to assume a direct transfer of knowledge from the business school to the student and thus to their employing organisation, one consequence of management education may be seen to be the provision of a discourse that is ideologically favourable to the reproduction of capitalism.

231
Chapter 6 The business school and its external relations

The focus of the previous chapter was the MBA curriculum; this chapter moves away from the actual content of the MBA to the factors which may influence the definition of appropriate knowledge within the MBA. The factors considered here are the relationship between the business school and its clients, whether individual or corporate, the influence of the United States upon management knowledge and the position of critical management theory within management education. As discussed in chapter two, the relationship between business education providers and industry has given rise to recurrent debates regarding the content, form and purpose of management education since its inception. The dichotomy between 'liberal-humanist' and the 'vocationalist' positions occurs not only between academia and industry but within management education itself, giving rise to tension particularly for those academics of a more critical orientation. The MBA has to accommodate both academic and commercial considerations which raises the issue of the degree of vocationalism within the programme and by whose criteria the knowledge is judged.

As previously discussed, what constitutes management knowledge is influenced by political, economic and cultural circumstances and trends, both national and international. Although the UK is economically linked to both Europe and the US, it has a closer relationship ideologically with the US. As discussed below, the United States has been the source of many management ideas and practices and, in providing the model for the MBA, has had a substantial impact upon management education within Britain. Business schools as sites of knowledge production and
utilisation do not exist in isolation: their external relations have some influence upon the knowledge base of management. As business and industry constitute a source of knowledge regarding management practice for business schools, the relationship between the business school and its clients is clearly an important one.

**Relationship between the business school and its clients.**

Central to the functioning of the business school is the relationship between its courses and its clients, that is, the product and its market (Association of Business Schools 1997). Business schools develop relationships not only with individual students, but also with their employers and with wider business circles, all of whom may have differing expectations of what a management course should comprise. One of the key issues in terms of how management knowledge is constructed is the extent to which the market has an influence upon that which is produced.

The rapid expansion in the provision of management education has resulted in business schools having to compete for students. Business schools, as part of universities, have been affected by the structural and policy changes introduced within the tertiary educational sector during the late 1980s and 1990s. The progressive marketization of educational discourse which has accompanied these changes (Fairclough 1989), whilst present throughout the education system, has been particularly evident within business schools. A consequence of the redefinition of the relationship between teacher and student as 'producer' and 'consumer' has been the commodification of knowledge (Winter 1999). The conceptualisation of business
school courses in terms of a market-based discourse combined with the financial need to compete for students has led to a customer-oriented approach. For example, Trim advises,

Once a relationship [between the business school and its clients] has been developed, the situation through a process of continual appraisal, must be evaluated through time to ensure that the product delivered is in fact the one demanded. Staff in a business school will find it helpful to adopt a strategic marketing approach and this requires that the provider of the service views the market from a needs to fulfil basis.

1994: 309

The financial necessity of attracting students was evident from the establishment of the earliest management programmes. The development of the MBA as a post-experience qualification rather than as a post-graduate qualification, as is common in the US, had the effect of lower numbers of students enrolling on programmes than in the US. The financial need for greater numbers of students and the initial resistance of industry to management education led to the emergence of 'Joint Development Activities' and projects, which deal with the management needs of specific organisations (Locke 1989; Lupton 1981). A closer relationship with companies is sought through the involvement of faculty and students in consultancy projects. The involvement of business faculty in consultancy work has the dual purpose of raising extra revenue and of allowing academics to apply techniques and tools within 'real life' situations (Trim 1994).42

---

42 A report in The Economist in 1988 estimated that about a third of consultancy work was provided by academics (The Economist, 13.2.88).
Attracting the numbers of students necessary for the financial well-being of the business school gives rise to the issue of how far the business school should go to ensure customer expectations are met. The Director of the Certificate and Diploma management programmes at Business School B makes explicit the link between the courses produced and client expectations of the business school:

We are providing a curriculum that seems to work, in the sense that people keep on buying it. The market seems to still want it and we still manage to sell it... So in that sense, we only have a future as long as we can continue to bring in twelve million quid’s worth of business. I mean, we have to have a product in straightforward development terms that everyone is connected with and is involved in the production and delivery of that particular product. And we all have to be sure that we’re getting it right, because the whole edifice depends upon it.

Student evaluations of teaching have become commonplace as a means of determining whether business school programmes are delivering what students expect. Business schools also gain some idea of what their clients expect by commissioning market research, liaising with sponsoring companies and through contact with companies wanting ‘tailor-made’ programmes:

...we have a number of employers who put on hundreds of people a year with us and we run those as national accounts, and we have constant and frequent contact with them at a corporate level. They are not normally shy about telling us what they want and what they don’t want.

Lecturer, Business School B
Willmott (1994) notes however that although employers seek to have some say over the curricula of business schools through such means as the sponsorship of university positions or representation on university committees, as noted in chapter three, the fact that management education is largely funded by the state or by individual students, means that the opportunity for direct influence is limited.

Consumer response ranges from the level of the individual to large corporations and expectations of what the MBA will provide varies. According to a Professor of Management at Business School B, on the basis of research available in the early 1980s, the business school found

that there was something of a clash between, if you like, corporate views of what they wanted, and individual views. Individuals very much wanted qualifications which were marketable in the labour market. Organisations very much wanted training which was focused upon the needs of that particular organisation. So there was something of a clash there. What’s happened in the last ten years... is that organisations have very much moved towards the recognition that if individuals want qualifications, it’s good to let them have them because they take up some of the responsibility and commitment for their own development rather than leaving it to the organisation, and the organisation finds that very helpful.

Professor of Management, Business School B

According to the Director of Certificate and Diploma Programmes at Business School B, the existence of differing expectations regarding management education provision should delimit the influence upon business schools by its clients.
I don't think there's a coherent set of expectations at all about what would come out of programmes of management learning, and to some extent I think our role as those who construct and deliver curricula is to be agnostic about that, or to say it makes sense to acknowledge they have diverse subsets of expectations, and construct learning which is accessible and appropriate for people to link with whatever expectations that they have.... There's a complex area of negotiation about the focus of the learning, the independence of us as a provider.

Director of Certificate and Diploma Programmes, Business School B

The fact that the students on most management courses are either self or company-sponsored gives rise to attitudes of consumption. The culture of consumerism that operates within business schools raises the question of who defines what appropriate knowledge is and the commodification of curricula indicates a change in the terms of transaction between student and academic institution. The marketisation of education leads further to the authority of institutions to define knowledge being eroded. Grey and Mitev (1995) note that feedback from students tends to focus around desires for relevance, applicability, and for course material to be of immediate use. In responding to the expectations of students, business school academics reinforce their technicist outlook by confirming that relevance and applicability are the criteria by which education is to be appraised. In emphasising the utility of management knowledge, business schools mirror the New Right assumptions regarding education and its functional relationship to the economy. Roberts (1996) suggests that given the existence of job insecurity and organisational uncertainty, what students are really demanding is some form of certainty.
The expectations of students and the extent to which they are accommodated also have implications for the occupational position of management academics, in terms of recruitment, status and reward. Whitley notes that,

...students expect to acquire skills which will lead to superior posts in specific labour markets and, especially at the post-graduate level, are usually unwilling to accept intellectual ideals as a surrogate for employers' standards. Thus, business schools have to adapt to employers’ criteria in assessing student competences and teaching needs so that their employment policies cannot be based on reputational goals alone.

1984: 339

In producing knowledge which is considered by managers to be of use within a work context, its validity is defined by, and ultimately judged in terms of, its applicability and performativity. A lecturer at Business School D notes,

...knowledge production gets bound up with particular kinds of interests, and that then becomes a kind of closed system; you could go on producing that stuff and go on getting rewarded for it in terms of status.

In responding to student expectations, the question of the appropriateness of the knowledge arises. Two of the respondents noted that if students are provided with what they believe they want, that is immediately applicable techniques, such knowledge can become dated:
If you go around and talk to people now, all you ever get are the current
needs of your current customers; the future needs of your current
customers is difficult. Or what are the future needs of your future
customers? Most of the market research you do will tend to reinforce
this.... What is it we think we want to teach, because there is a level at
which this is not wholly driven by needs. ...What is it that we think
would be valuable for people to learn? I mean, you can't sell it unless it
connects with what people want.

Director of Certificate and Diploma Programmes, Business School B

Kilcourse\textsuperscript{43} argues that the term 'business school' should be restricted to those
centres which carry out original research and develop long term partnerships with
business. "Such partnerships exist today, with a number of company-sponsored
'chairs', arrangements for temporary secondment, ongoing 'interventions', and other
mutually beneficial agreements" (1995: 35). Kilcourse makes a distinction between
the corporate needs of business clients and the training needs of individuals. He
suggests that individual training, for those who wish to change careers or progress
further in their existing one should be publicly funded, whereas corporate services
would be better funded by industry. Kilcourse takes the view that

...schools engaged in the corporate market could well translate that
experience into educational excellence for individual consumption. The
danger arises from institutions geared to training individual managers
presuming that they are thus qualified to enter the lucrative corporate
market. My ultimate nightmare is that they are encouraged to do so by
public funds, provided to meet a political rather than a business objective.

1995: 35

\textsuperscript{43} Kilcourse was the director of Grove Management Centre, Watford, a company/industry based
management education and training centre
While Kilcourse’s views are not representative of many involved in management education, the distinction he makes between corporate and individual management training needs is one that many business schools also make. The marketing strategies of business schools are focused around differing audiences and the course content and design may also differ depending upon the type of client. The Director of Programmes at Business School A outlines the differences between the programmes offered:

Essentially they differ in terms of whether or not it’s for the open market, or for the corporate market, in that very obviously, a big chunk of what we do - whether either MBAs or executive programmes - are designed for particular corporate clients, and the design is therefore very much around the needs of those corporate clients as they define them at the point in time that the programme is being devised. Our open programmes are of course designed to meet the needs of corporate clients, but they’re designed to meet general, generic needs over a period of time for a range of clients.

Director of Programmes at Business School A

The financial imperative of needing to attract students and thereby generate revenue, coupled with the culture of consumerism among students, places pressure upon business schools to deliver management education programmes which meet with both student and corporate expectations. The influence upon the curriculum of the interplay between business schools and their clients may be seen as manifesting itself in the degree of vocationalism or academicism of management education programmes.
Relationship between academic and commercial concerns

Many commentators have criticised MBA programmes for being too theoretical, analytical and lacking in relevance to prepare students for managerial roles (see Mintzberg 1973, 1989; Hayes and Abernathy 1980; Peters and Waterman 1982; Wills 1987; Leavitt 1989). Others however, most notably those academics of a more critical orientation, consider the MBA to be lacking in academic rigour (see Grey and Mitev 1995, Nord and Jermier 1992, Willmott 1994). As noted in chapter two, underlying this debate are differing orientations towards education, polarising between liberal and utilitarian conceptions of its purpose: this dualism between academic and vocational considerations has underwritten the relationship between the universities and industry since the outset.

The debate about the degree of academicism within the MBA has been ongoing at least since the establishment of the first two university business schools within the UK. Management studies emerged from within university departments and were thus established along academic lines. As with other academic disciplines, management developed around a reputational system whereby knowledge is produced and validated by means of publications, through competing researchers pursuing public reputations. According to Whitley,

...the subsequent development of separate Ph.D. programmes and academic control over employment standards for knowledge producers, ensured that intellectual goals and criteria become dominant in the evaluation of knowledge claims as well as creating a relatively large
However, in contrast to other disciplines, management studies differs in the fact it is available to those other than knowledge producers to define the validity of knowledge claims. Whitley argues that the need for relevance and utility has led to lay practitioners being able to define intellectual standards, which has resulted in a low degree of reputational control on the part of knowledge producers over intellectual competence and the significance of particular problems and solutions. It is Whitley's contention that the lack of a unitary audience or strong control over the definition of knowledge claims has resulted in the fragmentation of management as a research field and a diversity of intellectual standards (Whitley 1984).

Although management knowledge is to a certain extent practice-driven, it is a field in which a good deal of research takes place, particularly as a result of the Research Assessment Exercise (RAE). As Currie and Knights contend (2003), many management academics view research as their primary focus rather than their teaching commitments as it is a strong contributory factor in academic career progression. Research within the field of management studies is therefore influenced by the competitive pursuit of public reputations (Whitley 1984). The Association of MBAs (AMBA) which provides accreditation to business schools gives guidance to business schools concerning the production of research, stipulating that it should be "indicating effectiveness and relevance to the business and/or public sector communities" and should be of a quality and quantity equivalent to category two
within the RAE (AMBA 1995: 13). The dualistic nature of management knowledge gives rise to the issue of the proposed audience for management research and its intended purpose:

If you think about management as a field..., there's a question about when people write, are they writing for practitioners or are they writing for an academic forum, and are they mainly concerned with doing empirical stuff? Is it practice oriented or theory oriented?

Lecturer, Business School B

Many management journals are aimed towards other academics rather than management practitioners, and feature research which aims to contribute to collective intellectual goals rather than specifically to further the efficiency of management practice. According to a Professor of Management at Business School B, research plays a fairly minor role in terms of contributing to curriculum development.

Although the MBA was originally established as an academic qualification and many management academics are committed to the academic reputational system, there is pressure for programmes to provide pragmatic, professional training in management, rather than knowledge about management. Many writers who view the MBA as being too theoretical, believe management practice to be more complex and variable than management education programmes acknowledge. Management practice is felt to be context-specific and embedded within particular organisational situations. As such, abstracted universal conceptual models are considered to be inadequate for

---

44 See Mintzberg 1973; Hayes and Abernathy 1980; Peters and Waterman 1982; Leavitt 1989
the representation of the realities of organisational life. A number of methods of ensuring a greater relevance of the MBA to the needs of business have been propounded. Beck (1994) suggests the development of a partnership between those companies employing students and the business school, to allow employers some influence over the design of the programme. Although this occurs to some extent on tailor-made programmes, sponsoring employers do not tend to be involved in the generic MBA programmes.

‘Action learning’ has also been proposed as a means of ensuring that students develop relevant management skills, whereby students learn through dealing with actual problems within their own workplace (Revans 1971). The current work of managers enrolled on management education programmes is utilised within the pedagogic process. Any workplace learning is preceded by a theoretical unit on a particular theme or organisational function. Raelin (1994) contrasts action learning with the prevailing professional educational model which aims to locate management practice within a theoretical conceptual framework. Within the ‘action learning’ process, theoretical contributions are used only to the extent that they are relevant to a particular practical situation (Gosling 1994b). Raelin notes that action learning has been criticised for privileging practice over theory and for constituting management development (which operates largely for the benefit of the organisation) rather than education. He feels however that it is possible to combine elements of action learning with a formal educational programme.
Rutter (2003) details the use of action learning within a company as a research case study. The managers concerned had no theoretical knowledge of strategic management, and action research was used to bridge the gap between the researcher's theoretical frameworks and the practical ones of the managers. Within the case study, Rutter found that the managers constructed their own realities and understandings of their business based upon their own rather than Rutter's interpretations of their situation. Rutter consequently came to see his role as a facilitator rather than educator. As Rutter notes,

My understanding of their world would have been a 'foreign' theoretical construct.... Laden with theory, I would have been challenged to explain what on earth I knew about the issues that were current for them.  

2003: 469

Action learning as a pedagogical movement focuses upon the participatory process of negotiation between theory and lived experience for students and academics. There is recognition of the experiential knowledge that managers bring to the relationship between student and educator: academics do not impose knowledge upon practitioners, rather there is negotiation as to the agreed basis of management knowledge (Rutter 2003). There is a complex reciprocal process of reconciliation between business problems and theoretical knowledge.

Insider action research involves a closer relationship still between academic and practitioner: it is a method of case study research that involves active participation from the researcher (Coghlan 2003). The researcher acts as management consultant
within a collaborative problem-solving relationship with the client, through which new knowledge is generated. Vince (1996) however believes that experiential management education tends to overemphasise individual experience rather than the social and political context within which it has arisen and does not tend to acknowledge that the social power relations within and surrounding the learning group may influence the knowledge constructed.

The emphasis upon the acquisition of techniques and practices intended to be of use within the workplace upon the MBA programme has been criticised by those academics who believe that there is a need for greater theoretical input. The influence of commercial concerns within management education raises the issue not only of the extent to which management education may be considered educational rather than vocational, but also that of who defines appropriate and legitimate knowledge. A number of the academics interviewed pointed out that in order to maintain its desirability as a qualification, the MBA requires some form of academic credibility. As a lecturer at Business School D elucidates,

...that which gives [the MBA] its social status is its academic standing. And the students want that, I mean that’s what they want more than anything else, because for many of them, you know, their real orientation is pretty instrumental: it’s, well we want the qualification, and in a sense they will do anything to get it. But the thing that they are made to do is in some sense academic. At least, even in the most managerial of university departments, they will pay some homage to the academic thing. And so for students it is kind of a tension, because the thing that they want is the respectability that the academic content conveys, but I think that the whole time they are very resistant to that and they would
always want to say, well this is *too* academic. So they want it to be like a training course, but if it were a training course then a number of consequences would follow: I mean one is that it would lose its academic respectability, and the second thing is that universities would be outperformed by other institutions.

It is acknowledged by most of the academics interviewed that the MBA, while being an academic qualification, would not be accepted if it were too academic. A lecturer at Business School B notes,

> I think whatever else we should be doing, we should be very aware of what industry needs, and what managers need. And the tendency has been for it to become more academic in its content and orientation. I see it as a professional qualification, not as an academic one.

While a lecturer at Business School C points out,

> Well that’s one way of balancing that tension [between academic and commercial considerations], by being absolutely clear, the MBA’s not expected to be academically, as it were, respectable. You know, of course it has to appeal to the customers: it’s got to provide them with something they feel is useful to them in business or for their careers.

Some management academics however do not consider there to be any difference between academic and commercial considerations. A Director of Programmes (Business School A) dismissed the notion of any tension between the two imperatives: “I have been engaged in this kind of work for 20 years now, I know of
no case where a company has asked us to do things which would have undervalued or undermined our [academic] standards”.

There are concerns among some management educators, that the emphasis is shifting too far from the educational aspects of management education to the vocational (see Willmott 1994). Thomas and Anthony (1996) suggest that the question of what constitutes appropriate management knowledge is increasingly being answered by business and the state. They point out that those qualifications such as NVQs/GNVQs and BTEC Certificates and Diplomas that business has been involved in defining, are characterised by a ‘narrow vocationalism’. A survey carried out by the MCI (1994) concluded that employers were moving away from academically-based management development towards more work-based training. According to McKenzie (1995), education should enable “people to look critically at the performance of a task or role within terms of reference not provided for them only by others, but in the light of more general and perhaps universal standards. However good work may be, it cannot be the last or sole arbiter of what is proper”.

Thomas and Anthony (1996) point out that in order to be educational, management education should promote understanding, learning and knowledge, aiming to be transformatory in some sense, rather than knowledge acquisition being reduced to the progressive accumulation of a particular set of skills. Managers

are sold [the MBA] on the basis that they are going to learn something which is going to be an immediately applicable technique. But paradoxically, if you teach people immediately applicable techniques,
they don’t like that very much either because of the fact that they are seen as being very datable.

Lecturer, Business School D

Management educators tread a fine line, aiming to provide relevant, practical understandings of the world that can’t be dismissed as merely ‘common sense’, but that are not so removed from common sense that they are seen of as purely ‘theoretical’ (Grey and Mitev 1995).

According to one lecturer who was interviewed from Business School B, the relative academicism of the staff within a business school will impact upon what is taught. Those business school tutors whose professional identities are tied up with being academics, and who are involved in research and the current debates in academic journals, tend to have a different emphasis from those tutors who think of themselves primarily as managers and see their job now as a type of coaching role.

And so most management education is a kind of compromise between those people positioning themselves on that scale... wanting to do one [thing], but being obliged to do a bit of the other.

Lecturer, Business School B

Watson contends that implicit within the contractual expectations of the role of a management academic is the assumption that students largely presume that they will “receive something more than a period of liberal studies” (2001: 386).
Business schools are responsible for providing certification and validation of the learning experience undergone by students. As with subjects such as law, medicine, engineering and education, management knowledge is a combination of the theoretical and practical. Unlike the aforementioned subject areas though, management lacks a high level of agreement as to the knowledge necessary to be a good manager (Mintzberg 1989). Not only is there tension between academic and vocational considerations but also between the necessity of providing accreditation and the process of negotiation between students and tutors as to what constitutes appropriate knowledge. The business school aims to help create better managers, but the question for business school academics remains as to whether that should be achieved through increasing a manager's skills or their level of education.

The influence of the US upon management education

While the relationship between academic and commercial considerations undoubtedly impacts upon business school curricula, other factors also affect both the shape and content of management education programmes. One major issue identified by the business school academics interviewed is the influence of the United States, its business practices and its management academy. Business schools and management education in the form which is present in the UK today, originated in the US. The first business school was established at Wharton in 1881, followed by Harvard and Stanford, with the MBA appearing in the 1960s (Currie and Knights 2003). As discussed in chapter two, British business schools, management programmes and their content were largely based upon the US educational model.
Although the academics interviewed were unanimous in their agreement regarding the influence of US management studies and practice upon the MBA curriculum and content, there was some qualification. The response by the Director of Research at business school B was typical: "the US has very much set the agenda in management thinking and management education.... most of the gurus and the management thinkers, the key texts, the texts that we use, the classic texts... all the big names are American". The influence of the US upon management knowledge was attributed to a number of factors. The fact that the structure and texts of the British MBA were based upon the American model was identified by many as a significant factor, as was the dominance of the US in the production and publication of management scholarship. As a lecturer at business school D put it, "the American management academy if you will, is much, much larger: it controls the most important journals, and in that sense it produces the knowledge". The fact that this influence is dispersed still more widely due to the fact that the language of instruction is English in many business schools in other European countries was also noted.

Despite general agreement that the US has influenced management education quite heavily, it was argued that the extent of the influence varies between disciplines. The Director of Programmes at business school A identified the subject of Marketing as being the most influenced by North American ideas and practice; Strategy was also mentioned as being heavily influenced, with Finance being considered the least affected. Organisational Behaviour was also not considered to be particularly affected by the influence of the US. A number of the academics interviewed pointed
out that there are a number of influential management writers not from the US and that there is a growing body of management thought being produced within Europe. As the Director of the MBA programme at business school B put it,

"...[the US] do definitely have an influence, but they're not the only influence. We have a management literature of our own in the UK and some in Europe. But they started it; we've changed it, I think. And some of our ideas and European ideas have fed back to the States."

Another academic noted that although the US is highly dominant, efforts are made within European business schools (in France particularly) to use work produced by European business academics: "If you went to a French business school they would, you know, quote you loads of French names... they would go out of their way not of course to use American stuff" (Lecturer, Business School B).

In addition to influencing the content of management education programmes, it has also been suggested that the US is able to define the criteria by which new knowledge may be judged. According to Whitley, the prevailing standards to ascertain research competence and significance are largely set by the US, partly as a result of its economic influence, but also through the dominance of its research system. International reputations tend to be established through American academic journals which are also able to define research-based norms.

Thus many management researchers in Europe and elsewhere are primarily oriented to the US reputational system in management studies,
According to Locke, "Americans, therefore, invented management and with it the American way of doing business" (1996: 29). Although other factors undoubtedly have a strong influence upon both the shape and content of management education programmes, the American origins of the MBA and the power of US business practices and its management academy impact substantially upon management knowledge.

International discourse

The influence of North American management scholarship and practice raises the issue of whether the cultural context within which management theory and practice emerges impacts upon the content and normative values of management knowledge. It may be questioned whether management discourses are culturally rooted within particular nation states and whether it is possible to identify an international management discourse. Locke (1996) contends that management theorists tend to consider themselves to be largely anational, in that best management practice is thought to conform to universalistic principles. The presumed neutrality and objectivity of management knowledge is believed to make it essentially acontextual (as discussed further in the following chapter). Management, viewed as a collection of skills and techniques is thought to be valid regardless of context, be it...
organisational or cultural, and is therefore considered to be internationally applicable.

The issue of the extent to which management discourses are universal enough to be used within an international context may be linked with debates on globalisation. Much of the literature on globalisation focuses upon the economic and political manifestations of this trend. There appears to be general agreement that financial and technological developments have substantially increased the degree of global interdependence. It is now commonplace for companies to operate internationally, along with financial institutions and supra-national organisations such as the IMF. Organisations operating within a global environment clearly require some form of shared discourse transcending national boundaries in order to function. As management discourse is both an economic and cultural product, there is some difficulty in assessing its influence and spread. It is assumed by many managerial writers that there is certainly an aspiration for managerial discourse to universalise itself, possibly to the extent that it constitutes a conscious strategy (Lecturer, Business School D). While management discourse is international in that large corporations are transnational entities, the languages of management are fundamentally rooted in particular contexts, such as the economies of the United States or Western Europe (Director of Certificate and Diploma Programmes, Business School B).

Given the political and economic dominance of the US, it may be questioned whether the management discourses used within international contexts are in fact
largely US derived. As discussed in chapter three, there was clearly an intention by the US during the post-war period to promote American management knowledge within Europe, in order to protect US economic interests and generate support and legitimation for the aims of the US with their coalition partners. Although it is not possible to ascertain whether there was a conscious determination to develop a hegemonic capitalist system, the will to enhance the economic, political and ideological dominance of the US certainly existed. Gray (1998) contends that the processes of globalisation should not be considered merely as an historical trend, but as 'a neoliberal political project'. As such, the manifestation of an international management discourse could be viewed as being consistent with the ambition for worldwide economic deregulation and the universal reach of the Anglo-American free market.

The business school academics interviewed largely agreed with the existence of an international management discourse, which tended to be interpreted as being Anglo-Saxon in nature. A Professor of Management at Business School B characterises Anglo-Saxon style management practice as being, "individualistic, driven by bottom line obligations, less sense of social obligations, less sense of stakeholder approaches - it's very much shareholder companies rather than stakeholder companies - sense of antagonism to the state or much regulatory control in the free market context".

Business schools tend to emphasise how 'international' their school is in their promotional literature, which they attempt to achieve through the recruitment of foreign faculty and students, the provision of international teaching material and
electives in aspects of international management. Some business schools also provide management programmes for students abroad. The Director of Programmes at business school A outlined the process by which the business school establishes internationally run courses. With the aid of local associates and tutors, the business school supplements its domestic, generic management programme with international case studies. The business school takes "significant note of some of the feedback we were getting from participants about the nature of the curriculum and its relevance in their part of the world. On the whole, the relevance of the curriculum doesn't seem to be a big issue, but what undoubtedly is a big issue is ensuring that there are plenty of examples, plenty of case studies" (Director of Programmes, Business School A).

Although UK business schools use their generic, British courses to provide the core curriculum for their internationally run management programmes, the emphasis upon experiential learning and international case studies is considered to make the programme more locally applicable.

In discussing what foreign students gain from enrolling on a British management course abroad, a lecturer at Business School B notes,

There's certainly an international management discourse, and that was part of what [African management students] wanted. You know, if they were going to be dealing with the World Bank and IMF, they'd better speak their language, and that was part of what they were getting. Or you know, joint ventures and tourist companies coming in wanting to build - so they wanted to speak the language. So it's quite reasonable that they should learn that.
Equally, Currie and Knights (2003) note that one of the motivations behind foreign students enrolling upon courses at UK based business schools is that they want access to Western management thinking. One of their students from Southeast Asia described their intention behind choosing a British MBA as “being socialised into Western thinking so that I can get a job with a Western global company” (2003: 38).

In considering the extent to which management knowledge is ‘culturally portable’, the Director of the Certificate and Diploma programmes at Business School B asked,

Are we... developing a refined and international conception of management, or are we simply taking the languages of management, essentially a Western, an Anglo-Saxon notion, and exporting it? I’m not quite sure whether we’re simply exporting stuff: a form of old-fashioned imperialism.... Do they want Western ideas, or do they want to reinforce [local] ways of doing things? I don’t know.

Although the globalization of capital and finance and the economic necessity for some degree of international interdependence leads to a need for shared discourses, it does not follow that culture and identity are also reconstituted in homogenous ways. Some authors on the cultural dimensions of globalisation have identified a cultural homogenization occurring globally through the expansion of a commodity culture, leading to the disintegration or destruction of traditional cultures and the erosion of human difference (Wallerstein 1990; 1991). Concepts such as McLuhan's ‘global village’, ‘Americanization’ or that of ‘MacDonaldization’ have been used within the literature to express the notion that Western influences, predominantly those originating in the United States, are manifesting themselves in non-Western
countries. Theories stressing a shift towards cultural homogeneity present a vision of an imperialising commodity culture which has accompanied Western political and economic domination (Hall 1991; Hannerz 1991).

Although management discourse aspires to be universal, the inventiveness and mobility of culture and identity tends to undermine this aim. As a lecturer at Business School B points out,

Any simple version of cultural imperialism whereby we’re just implanting this managerial stuff as an alien ideology which is subverting [the students’] own purposes, that doesn’t stand because they’re too bright and capable basically and they don’t swallow it whole. They make it their own in one way or another. And that’s with most management education, management ideas: everybody’s highly selective in what they really internalise. That we should be so effective in our teaching as to have that kind of influence.

Economic and political power cannot necessarily be equated with cultural dominance. Although as Locke claims, American management thought and practice has been influential, particularly until the 1980s when the US manufacturing sector began to be challenged by the Pacific Rim countries, European economic and organisational culture has not proved especially receptive to these ideas. Organisations are socially-embedded entities and as such are tied to national cultural identities. As noted above, there is resistance in some European countries, France particularly, to American management thought and practice. Although capitalism has extended throughout Eastern Europe, the economic and political situations within
those countries do not appear to have provided conditions suitable for the spread of
Western style managerialism to a similar extent. In other countries, there does not
appear to be a need for Western management discourses. In areas of the world where
capital is rapidly developing, often management discourse draws upon 19th century
style, more coercive management techniques: where there is a large, poor labour
force which will obey orders or potentially face extreme poverty, “you don’t really
need to go around elaborating ideas about stakeholding and everyone belonging
together and all this kind of thing. So to that extent, I would say even where
capitalism globalises that there would be differences in managerial ambition”
(Lecturer, Business School D).

Although management does aspire to be international and there does appear to be a
hegemonic ambition for US-derived management discourses to be the lingua franca
of global business, national organisational and political cultures are not necessarily
particularly receptive to the adoption of Anglo-Saxon management theory and
practice.

Critiques of management

There is a growing area within the study of management, offering critiques both of
management and many of the issues involved in the practice of management, but also
challenging the epistemological frameworks upon which much management theory is
based. There is an emphasis upon the ‘educative’ element of management education
in that management is considered within its social, political and moral context, rather
than upon the transmission of skills and techniques. Implicit within critiques of functionalist, normative forms of management education are particular understandings of the relationship between academic and commercial interests: critical orientations to management studies tend to emphasise a more liberal-humanist view of education rather than a purely vocational one. According to Grey, radical critiques of management practice and managerialism are more likely to be found within a business school than elsewhere in a university, the reason being:

...that the expansion of business schools and consequent demand for staff coincided with major cutbacks in social science funding. In the 1980s a substantial, mainly young, contingent of staff trained in social science, and bringing its various theoretical traditions and political affiliations, arrived in business schools to develop subjects such as organisational behaviour, accounting and business economics.

Grey 1998

When questioned about whether more critical forms of management education have a place in the MBA, a large number of the interviewees misinterpreted what was meant by this. A typical response was: "We would like to think that MBA students are very critical. Good ones are, I mean, they wouldn't be any use otherwise.... They're very ready to argue about, well that doesn't make sense because of some experience they've had or something they've read about how a major company does something, or another management book they've read somewhere... I mean they are quite critical" (MBA Programme Director, Business School B). Despite the term ‘critical management theory’ being fairly well used within the relevant literature, it did not appear to have any resonance for the majority of the respondents.
Critical strands of management knowledge may take a number of forms and encompass a variety of philosophical positions, ranging from a post-structuralist or post-modernist theoretical orientation to Marxist or feminist positions, through to a humanistic stance or interest in pedagogic issues. Critiques of management may cover areas such as environmentalism, business ethics, communitarianism and stakeholding. Elliot (2003) notes that it is only since the 1990s that there has been any attempt to gather together the various critical contributions as one approach. According to a lecturer from business school D, the element that these various critical approaches to management have in common is

having some notion of a critique of positivism and the positivistic underpinning of the kind of knowledge base that’s reproduced in a lot of management education very often...; some notion that the task of management educators is not to give aid and succour to managerial practice, but to expose managerial practice to some form of analytical scrutiny, and bound up with that, some notion - probably rather variously understood, about emancipation, about political action.

Management is theorised within critical approaches as both a social and political practice; there is a concern with asymmetrical power relations and discriminatory practices within organisations.

At one end of the spectrum of management education are those academics who seek greater practical relevance through closer associations with business and do not feel a need to question the frame of reference through which they interpret their findings.
At the other end are those who wish to problematise the epistemological framework within which management knowledge is constructed\textsuperscript{45}, or question the political, ethical or social function of management knowledge. Most critically oriented work tends to have been generated within the field of organisational studies, although critical analyses may be found within accounting (eg Burchell et al 1980), and to a lesser extent in areas such as marketing (Firat et al 1987). Many of the management academic specialisms, apart from Marketing, have at least one critically orientated journal such as \textit{Systems Practice} (covering the field of Operational Research), \textit{Critical Perspectives on Accounting}, and \textit{Accounting, Management and Information Technology}. Articles taking a more critical stance have also been published in other journals, such as \textit{Organization Studies}, \textit{Journal of Management Studies} and \textit{Accounting, Organizations and Society} (Willmott 1994).

There is a good deal of debate within management education (particularly among those academics tending towards more critically inclined work) as to the relative significance and influence of critical or reflexive approaches to management. Czarniawska (2003) claims that rationalist, objectivist teaching programmes tend to predominate, in the wake of demands from students and the market and students for 'useful' knowledge. She feels that the orientation of these programmes ultimately does students a disservice given their emphasis upon a certainty and predictability which is largely absent within the organisational world. Hassard (2003) however, points to the existence within organisation studies of publications of a more reflexive

\textsuperscript{45} Examples of writers who call for critical management research to be incorporated into courses are Anthony 1986; Nord and Jermier 1992; Reed and Anthony 1992; Willmott 1994.
orientation, both textbooks\textsuperscript{46} and research journals\textsuperscript{47}, which, he claims, have influenced management teaching at all levels. He also notes that those academics who follow a more critical research agenda are also teachers, implying that this agenda is expressed within their taught courses.

Another prominent issue which has featured within the literature is whether it is possible to apply critical scholarship to management teaching using a pedagogy similar to 'mainstream' management courses or whether a critical pedagogy is necessary (Hagen et al 2003; Grey et al 1996; Willmott 1994; Reed and Anthony 1992). There are a range of pedagogies used within MBA programmes. Grey et al (1996) differentiate between three different approaches, which they refer to as disciplinary, staff development and critical. They argue that although all three approaches may be identified within most MBA programmes, staff development and disciplinary elements tend to feature most heavily, with critical appearing the least frequently.

The 'disciplinary' approach involves the transference of a body of knowledge \textit{about} management rather than \textit{for} management, where little connection is made between the content taught and managers' lived experience. The student is expected to master the body of academic knowledge presented by the teacher. Critiques of the disciplinary approach tend to centre around a lack of practical relevance for students. The 'staff development' approach attempts to combine the academic and the practical, employing teaching methods such as role-playing, use of case studies and

\textsuperscript{46} Such as Thompson & McHugh; Hatch; Linstead & Fulop; Jackson & Carter; Jaffe. See Hassard (2003) for references

\textsuperscript{47} For example \textit{Academy of Management Review}; \textit{Organization Science}

263
videos to encourage student participation and increase levels of applicability of the course. The ‘critical’ approach aims to problematise rather than legitimate management theory, drawing students’ attention to the social, political and ethical dimensions of management practice.

According to Reynolds (1999), a critical pedagogy should involve both critical content and process. Courses with a traditional, or managerialist, content may be taught using either critical or traditional methods, and equally, so may courses with a critical content. Currie and Knights contend however, that unless critically oriented knowledge is shared with students through a critical process, whereby understanding is developed through dialogue and the negotiation of meaning, critical forms of knowledge “rarely escape the authoritative nature of their discourse. The process often remains one in which control of the class and students is based upon the authority and expertise of the teacher, or established texts, as the arbiter of what is ‘right’ or ‘wrong’” (2003: 32). On this basis, it is possible for the staff development approach to offer a more critical learning experience than the disciplinary model. Currie and Knights note however that the reliance upon managerialist content and the tendency to leave management knowledge unproblematised means that the staff development approach does not usually provide a critical pedagogy. Like the disciplinary approach, the staff development model depends largely upon the relatively passive transmission of knowledge from the management ‘expert’ to the student.

Currie and Knights (2003) however point out that there are institutional constraints upon management academics introducing critical pedagogy. There is pressure from
both government and universities upon business schools to expand and be more efficient, which leads to larger class sizes. This tends to restrict opportunities for dialogue, resulting in more lecture-driven styles of teaching. Accrediting bodies, such as the AMBA, also place restrictions upon methods of teaching and assessment, favouring traditional, functional-based curricula derived from managerialist conceptions of relevance. In addition, the influence of the Research Assessment Exercise (RAE) upon academic career progression leads to many business school academics concentrating upon fulfilling their research rather than their teaching commitments (Currie and Knights 2003; Bolton 2001).

Willmott (1994) notes that critical management academics have tended to focus upon developing alternative paradigms of research rather than approaches to management pedagogy. Most of the material produced has been for the benefit of other interested academics rather than for the purpose of educating managers. There is a gap between critically oriented approaches to management and the dominant discourse within management education and development which is concerned with the acquisition of technical skills and competences. Grey and Mitev believe that given the prevalence of the ‘real-world commonsense orthodoxy’, “the attempts of critical academics to introduce more intellectually rigorous teaching on their own initiative must always be marginal and of limited legitimacy” (1995: 82).

According to Snell and James, decisions regarding resource allocation and recognition of merit for both teaching and research within business schools tend to be influenced by the assumptions implicit within a managerialist, technicist worldview:
Since the tangible [or technicist] orientation has long attained hegemony (is self-evidently ‘true’ and sensible in the eyes of institutional leaders in the management academy), the most powerful factions within these provider institutions still tend to agree with the standards or at least collude with their adoption in practice. Accordingly... [less technicist management educators] are likely to remain in marginal positions because their work does not match with the standard set of institutional language games.

Snell and James 1994: 322

Grey et al point to the “increasing pressure from institutions and government to conceptualize teaching (and research) in terms of criteria of ‘relevance’, defined in strictly managerialist terms (Grey and Mitev 1995a; Willmott 1994). Such a conceptualization recasts education as training, and sets a premium on the acquisition of technical competences. Although in many university management and business schools there exists, almost by default, a ‘space’ for critical and subversive teaching (Willmott 1994a), the extent of this space is continuously, though often indirectly, subject to erosion.” (1996: 106).

Grey (2003) contends that there is a significant gap between the knowledge which appears within management research literature and that within standard textbooks. He argues that within other disciplines, there tends to be a progression between what is taught and the knowledge at the cutting edge of research, as opposed to the disjunction which characterises management knowledge. “Our research literature seems to problematize precisely those things that are presented with certainty within the textbooks; that is, the knowledge they present is not ‘established’. I don’t think
that this situation obtains, or not at least to anything like the same degree, in any other subject taught in universities” (Grey 2003: 349). He notes that a large proportion of textbooks tend to portray management practice as ‘politically and morally uncontentious’ whereas this is questioned within a significant sector of management research. He acknowledges though that much management research does in fact take place within the same rationalistic framework as appears within textbooks.

Critically orientated theorists tend to take the position that critical management studies and educating managers are not irreconcilable, that providing more critically orientated forms of management education is able to benefit the development of managers, who through being more critical become more creative, more capable of strategic thinking, and more aware of notions of diversity and environmental issues. Within the literature, managers tend to be portrayed as subject to contradictory demands and as much at the behest of the exigencies of a capitalist economy as other workers (Elliott and Reynolds 2002). Alvesson and Willmott maintain that managers are “victims and not just agents of a rationality that inhibits critical reflection upon, and transformation of, a structure of social relations that systematically impedes and distorts efforts to develop more ethically rational, morally defensible forms of management theory and practice” (1996: 36).

A lecturer at Business School D notes however that there are a small number of more critical management academics within the UK who would wish “to reconstitute management and business as a discipline, to reconstitute it as a critical social science
and therefore along the way probably to cut all of its enmeshments with the private sector, that's to say sponsorship and commercial enmeshments, and to cut the presumed link between management education and the managerial sector.” To decouple management education from managerial practice would involve not only the content losing its vocational emphasis, but also a questioning of the desirability of the commitment of management education to improving managerial efficiency.

While critical orientations to management knowledge tend to occupy a fairly marginal position within conventional management education programmes, other alternative viewpoints which appear to promise a more critical orientation do often appear as electives alongside the core curriculum. As noted in chapter five, courses in Business Ethics, Environmental Management, and Women in Management are offered by a number of British business schools.

Business Ethics is becoming an increasingly popular field of analysis, particularly with the rise of 'ethically sound' companies, of which The Body Shop is perhaps the best known (Elkington 1987). Although American business schools are obliged to provide courses in ethics, a small number of British business schools are now offering courses in this area too. Much of the literature on business ethics has a religious or philosophical foundation, and presents alternative organisational scenarios. ‘Stakeholding’ (that is, the responsibility of managers to all groups which have a stake in the company’s activities) and ‘environmentally friendly’ business decisions (Bright 1989; Burke 1990) are key concepts within this area.
Although acknowledging the interests of those affected by the practices of management offers the opportunity to consider management within its social, political and moral context, the concept of stakeholding tends to be dealt with within an instrumental, managerialist framework. In order for stakeholding to constitute more than a technical fix either socially, for people being excluded, or organisationally, for people being alienated, it is necessary for the nature of power to be adequately theorised. A lecturer at business school D points out, there are important differences between someone who earns £2.40 an hour and someone who earns half a million pounds a year. So the idea of stakeholders, unless it gives attention not just to those differences, but to the way in which those differences are set up and who has an interest in them, and who has an interest crucially in promoting the idea that we are all stakeholders, and unless you can do that then I think it is inadequate.

Courses on Women in Management are also offered as electives within business schools. As with other fields of inquiry, feminism has also made significant inroads within organisational theory, focusing among other things upon the gendered nature of particular knowledge structures (Ferguson 1984), the androcentrism of scientific rationality (Mumby and Putnam 1992), and the existence of patriarchy within organisations (Cockburn 1983; Martin 1990). Examples of alternative modes of organisational arrangement have also been claimed by feminist writers. Within mainstream management courses, the issue of women in management tends to be underpinned by liberal feminist notions: the access of women to particular organisational positions is considered in terms of a bottom line rationale, in terms of equal opportunities. The existence of a ‘glass ceiling’ is critiqued on the basis that
the pool of talent available to a company is thereby restricted and organisations may face bad publicity or legal challenges for these kinds of organisational practices. The more radical issues and organisational problems concerning feminist scholarship tend not to be dealt with. By subsuming ethical concerns within a technicist management framework, both the values underpinning particular forms of managerial and organisational practice and those inherent within the framework itself remain unproblematised.

Although critical orientations to management knowledge aim to expose management practice to a rigorous questioning of the social, political and moral context within which it occurs and problematise the frameworks within which it is analysed, Grey et al (1996) point out that critical approaches, even that of radical humanism, merely replace one construction with another. To argue for the desirability of one construction over another is problematic, in that notions of truth and subjectivity are socially constructed. However, becoming overly concerned with the problem of representation could lead to an extreme relativism, resulting in realist and structural explanations being dismissed. Broader political and economic forces are therefore not able to be adequately accounted for. Grey et al (1996) suggest that it may be possible to morally differentiate between constructions on the basis that some involve the exercise of power and the reproduction of inequalities to a greater extent than others.

Identity management
As a largely technicist orientation to management knowledge tends to prevail within business schools (Grey and Mitev 1995a; Willmott 1994), whereby teaching and research is judged in terms of criteria of relevance, it may be questioned whether those academics who are committed to more critical or subversive approaches find their position within the business school problematic and whether combining their personal intellectual commitments with their professional responsibilities to students who are largely of a technicist orientation creates issues in terms of their self-identities. Of the respondents, only one acknowledged any sort of conflict within their professional identity. Another, while not explicitly acknowledging conflict revealed a certain degree of ambiguity in their response: "I have off and on, helped with a lot of mainstream courses, and so every now and again I have to reinvent myself as a general management teacher and sort of maintain my street cred in this place, as it were" (Lecturer, Business School B).

The expectation placed upon management academics of disseminating technicist, instrumental knowledge appears to generate some degree of cognitive dissonance in those committed to an academic ethos and culture. Grey and Mitev (1995) identify two types of response by management academics to the demand from students for knowledge of use in the 'real world'.

Faced with the insecurity which the real world-academia dichotomy produces, [managerialist] management academics often respond by, paradoxically, further entrenching themselves in that dichotomy by seeking to provide ever more 'practical' teaching material, and substituting consultancy for research. In this they seek to distance themselves from 'discredited' academia but, since they remain employed
as academics, this attempt is always precarious, and indeed contradictory.... Critical academics follow a different course. Some, particularly those of sufficient eminence, will be able to establish a legitimate institutional place on their own terms. Others seek to teach in ways which are congruent with their beliefs, in the process running into the resistance of technicist students, and the disapprobrium of managerialist colleagues. Still others will sublimate their intellectual beliefs for the purposes of teaching.

Grey and Mitev 1995: 81

Danieli and Thomas (1999) in their study of management educators, found there to be a lack of a coherent occupational identity within business schools due to the number of different disciplines and the variety of occupational and educational backgrounds. Many of those interviewed within the study did not intentionally choose to end up working within management education. Some of the respondents in Danieli and Thomas’ study appeared to be ambivalent about capitalism: “it is perhaps ironic that people who had once rejected capitalism and industry should now be teaching those who are or who intend to manage capitalism and industry” (Danieli and Thomas 1999: 459).

A number of the academics interviewed for this study pointed out that many of those employed within business schools do not view themselves as management educators, but more as organisational sociologists. One of the respondents noted that there are some within business schools who do not view themselves as either management educators or organisational sociologists but who are mainstream researchers in fields other than management and business, but which have implications for business and management (Lecturer, Business School C). Another respondent noted that many of
those who are more academically orientated felt as though their status as academics was compromised by being employed within a business school: “A lot of people feel patronised by other people in other departments: they feel that they’re not proper intellectuals. But for some people, I think there’s a strong reservation to practically orientated [knowledge], but at the same time... [there is an] insecurity about the idea, oh you’re going to be found out by the MBA students for not being in the real world enough.” (Lecturer, Business School D).

Hagen et al (2003) describe the experience of introducing a critically oriented elective into an MBA programme and discuss the processes of identity management and negotiation involved in that. In addition to potential tensions produced by the critical-technicist dichotomy in terms of self identity, as three female academics, Hagen et al highlight issues concerning the gendered nature of academic praxis. They suggest that the use of a critical pedagogy within the course may have had the effect of increasing some of the tensions inherent within conventional educational practice.
Conclusion

The relationship between business schools and their clients is a significant one, in that it has clear implications for who has influence over the definition of the curricula and content of management courses. Given the demands from government and business for management education to be responsive to consumer needs, and the need for revenue by universities from high fee-paying students, business schools face considerable pressure to deliver the sort of courses expected by their clients. Student expectations of gaining relevant and applicable skills and techniques leads business schools emphasise the utilitarian nature of the knowledge on offer. The preference for empirically based knowledge, which has some resonance for practising managers, over knowledge which challenges the parameters of managerial practice, helps to reinforce the legitimacy of that practice.

The US has clearly been highly influential in shaping management discourse, practice and educational programmes, due in part to the modelling of the British MBA upon the structure and texts of the American MBA, and the dominance of the US management academy. The close relationship, politically, economically and culturally between Britain and the US has also contributed to similarities in management practice and discourse (Locke 1996). Although there are economic and cultural differences between the two nation states, there are important ideological similarities, such as the emphasis upon competitive individualism, bottom-line rationality and Anglo-Saxon empiricism (Hampden-Turner and Trompenaars 1993) which has lead to the applicability and consequent adoption of much US
management knowledge. Given the political and economic dominance of the US, and its influence within many supranational bodies, such as the IMF, global problems tend to be defined through an international management discourse, largely derived from US management concepts and assumptions. International management discourse is propagated by high profile management, or an international 'power elite' (Mills 1956).

While the culture of consumerism does have an influence upon shaping the dominant discourses within management knowledge, there is some discursive space within the management academy for critiques of management theory and practice. However, attempts to challenge the legitimacy of management practice or question the social, political or moral framework within which management knowledge is constructed or the interests it serves tend to occupy a fairly marginal position. Although there is some diversity of ideologies, the power of the market and the impulsion to self-preservation of business schools result in the ideologies supporting the market becoming dominant. While possibly not consciously doing so, business schools tend to maximise their own self-interest by not challenging or alienating their client base. The MBA is expected by students and business alike, to contain particular forms of knowledge and provide relevant tuition in various established areas: employers have certain expectations of an MBA regarding what it says about an individual's knowledge base. The various assumptions and agendas underlying the processes of knowledge construction will be examined within the next chapter.
Chapter 7  The social construction of management knowledge

There are difficulties in studying knowledge production, as the processes whereby knowledge is constructed are fairly diffuse. This study is situated at a step removed from the actual constructive process, concentrating instead upon participants' perceptions of how management knowledge comes to be developed and the factors involved in influencing this process. Although this approach is compromised by the fact that information first passes through the filter of a particular individual's consciousness, perception and interpretation, the insights generated are of significance nonetheless. The analysis of teaching materials, as a product of the constructive process, aimed to corroborate these insights to a certain extent.

The focus of this thesis has not been the construction of social reality as a whole or with the life-world of the individual per se, but with a field of knowledge - that is, the ideas, theories, frameworks, models and techniques concerned with the practice of management. It has not been the intention of this research to evaluate the 'truth' or 'falsity' of particular facets or elements of management knowledge, or indeed their utility. As Berger and Luckmann note, "the sociology of knowledge must concern itself with whatever passes for 'knowledge' in a society, regardless of the ultimate validity or invalidity (by whatever criteria) of such 'knowledge'" (1966: 15). This investigation has been concerned with the function of the representations of reality and claims to universal truths presented within much management theory. Management knowledge is considered as legitimating a particular conception of reality and is treated as data from which may be drawn an understanding of the
subjective and objective reality from which it emerged and which, in turn, it influences.

In that all knowledge is socially constructed, the social, political and historical context within which it is produced influences what is discovered, developed and taken for granted as valid knowledge. Cultural assumptions and pre-existing frameworks of interpretation necessarily impact upon the processes of knowledge construction (Kuhn 1970, Hanson 1969). To argue that a fact is socially constructed, however, is not to deny its significance or power. The process whereby the human authorship of the social world is forgotten and experienced as other than socially constructed is known as reification. Although reality is socially constructed, it takes on a facticity and an objectivity of its own which comes to be taken for granted and acted upon accordingly. According to Knorr-Cetina (1983), processes of knowledge construction are constitutive of the reality knowledge is said to ‘represent’, rather than merely reflecting ‘what is’.

This research has been based in part upon analyses of textual data, both primary and secondary, that is, literature concerning management education and practice. Organisational constructs and meanings may only be understood within their situational and historical context. Historical, political and cultural influences and assumptions are embedded within any text. Practices of representation are always contingent upon what Hall calls ‘the positions of enunciation’, which are those positions from which we write or speak (Hall 1990). Any area of human endeavour will produce and develop a body of knowledge referring to the activities involved, as
is the case with business and management. This knowledge becomes socially objectivated as knowledge, as a source of generally valid truths about reality, which not only provides a framework through which to interpret the unknown, but also contributes to the institutionalisation of economic activity through the shaping and controlling of human conduct (Berger and Luckmann 1966). Foucault referred to such bodies of knowledge as discursive formations or domains of discourse, which define the limits and forms of the sayable (Foucault 1991). Discourses delimit interpretive possibilities, ordering the possibilities for thought and speech, and even shaping consciousness. As Ball phrases it, “we are the subjectivities, the voices, the knowledge, the power relations that a discourse constructs and allows” (1994: 22).

**Epistemological foundations of management knowledge**

The processes by which management knowledge is created and comes to be accepted as legitimate are, like most fields of knowledge, many and diffuse. In order to assess the importance or otherwise of new knowledge, there needs to be a pre-existing interpretive framework. The instrumental nature of much of the knowledge surrounding the practice of management is one of its key underlying features. Management knowledge tends to be judged on the basis of whether it works or is thought to work: boundaries of definition are circumscribed by notions of utility. Grey et al (1996) argue that management programmes (in common with other disciplines) are based upon ‘possessive’ rather than ‘relational’ concepts of knowledge, in that knowledge is assumed to have a fixed quality, able to be possessed like a commodity rather than produced through social relationships.
There is also a modernist assumption within many management programmes of the progressive and cumulative nature of the knowledge (Roberts 1996).

As has been previously suggested, management knowledge is derived from a variety of sources. Hughes (1988) identifies a number of approaches which may be considered to have underpinned the construction and collation of management knowledge at various points throughout the history of management education, which he refers to as the professional practice, competent practitioner, applied functional, eclectic academic and scholarly research models. What Hughes defines as the 'professional practice' model, refers to management knowledge which is based upon the activities of practising managers. The main principle behind this approach is that the accumulated knowledge and methods of past managers may benefit others. 'Best practice' is thought to be able to be defined through both research (Taylor 1947) and experience (Fayol 1949).

The 'competent practitioner' approach is similar to the 'professional practice' approach in that it is based upon the conduct of practising managers, but rather than focusing upon any 'universal principles' of managing, the 'competent practitioner' approach is based upon the detailed analysis of actual managers' jobs. Studies which Hughes considers to fall within this category are Carlson48 (1951), Brown (1960), Stewart49 (1967), Mintzberg50 (1973), Kotter51 (1982), and Boyatzis (1982).

48 Carlson studied the working practices of nine Swedish managing directors.
49 Stewart's research focused upon the practices of 160 British middle and senior managers.
50 Mintzberg focused upon the roles of five US chief executives.
51 Kotter analysed the work of general managers in the US.
According to Hughes, the 'applied functional' approach to management knowledge has largely been driven by professional bodies and is manifest in the belief that managerial practice needs to be divided into functional specialisms, such as finance, marketing and personnel. Hughes notes that most specialisms have developed their own professional body or institute to protect and advance the career interests of its members, which have been influential in prescribing the knowledge required in order to be proficient in that field, that is, "the 'received body' of managerial truth" (Hughes 1988: 302). Hughes contends that this approach categorises knowledge in an arbitrary manner and historically favours the manufacturing sector.

The 'eclectic academic' approach assumes that management knowledge is largely a composite of other academic disciplines, such as economics, sociology, psychology, accounting, politics, law and mathematics. Hughes notes that elements of most of these areas of knowledge may be found within a traditional MBA programme but questions the process of condensation for the purposes of management education:

If we are rigorously selective from these areas of knowledge, on the basis of functional relevance and an applied model of the manager's job, how do we make that reduction, that selection, without doing violence to the original discipline?

1988: 304

The 'scholarly research' approach is that which has been defined predominantly by academic researchers and incorporates the work of organisational sociologists, anthropologists and psychologists. This is the area in which the greatest proportion of work has been published. The focus of this work tends to be the organisation
rather than the role of the manager specifically. It encompasses a vast quantity of literature, ranging from the work on bureaucracy by Balzac and Weber (1947), the critiques by Merton et al (1952), March and Simon (1958) and the work of the Aston group (1976) to 'systems' and 'contingency' theorists such as Burns and Stalker (1966), and Lawrence and Lorsch (1967). This approach includes the Hawthorne experiments and the 'human relations' movement, the Tavistock school's 'sociotechnical systems', the Glacier Project's 'constitutional' theory, studies of organisational culture (Harrison 1972; Handy 1976; Hofstede 1980) and organisational politics and power (Pettigrew 1973; Bacharach and Lawler 1980; Pfeffer 1981). Lupton argues that the intended audience for much of this research is other researchers and that the practical problems of the practising manager do not tend to be addressed.

Huczynski (1994) carried out a survey to assess the popularity of various management ideas among academics, investigating the factors influencing their choices. The survey incorporated the findings of a number of publications dealing with the development of management thought and charting which ideas had become the most influential. Huczynski claims that there have only really been six influential schools of thought in the history of management theory: bureaucracy (including such writers as Weber and Crozier), scientific management (e.g. Taylor), classical management (Fayol and Bernard), human relations (Mayo), neo-human relations (Argyris, Herzberg and Likert), and guru theory, which title applies to the disparate writings by various management 'gurus'. He suggests that particular management ideas become popular for a number of reasons: through "features
inherent in the ideas themselves; by their ability to meet managers' needs; by their
timeliness; and by their potential for being publicly presented and promoted" (1994: 24).

There has been very little written regarding how academics filter knowledge for pedagogical purposes and which factors influence the selection. Given the amount of management material available, academics necessarily have to be selective about what they include. Huczynski offers a number of different factors, which he hypothesises, may impinge upon the process of curriculum construction and content selection. A particular theory or idea may be included on the basis of the degree of interest in it among academics, managers and students, which Huczynski believes is related to its ability to challenge taken-for-granted assumptions, otherwise "its value would be rejected while its truth was affirmed" (1994: 28). Interest in a particular theory or finding may be increased by its ability to generate new scholarship. The ease with which a concept or theory may be taught, which is dependent both on its internal coherence and the availability of relevant teaching materials, such as text books or case studies, could also influence the selection process. Huczynski suggests that academics tend to emphasise those ideas which appear to have immediate relevance and applicability.

In addition to the principles guiding the production of knowledge, the interpretive framework of the academic, practitioner or consultant is also a significant factor in determining the validity of management knowledge. Burrell and Morgan (1979) note that there are a number of paradigms - functionalist, interpretative, radical
humanist and radical structuralist – which coexist within organisation studies. Functionalism has provided the dominant theoretical framework for management and organisational theory (Hagen et al 2003). Much of what is taught on the MBA course can be identified as arising from this theoretical orientation. As a structural, systemic and apparently apolitical mode of analysis, it has provided a very successful approach to the practicalities of management. The benefit of a functionalist framework for practising managers is that the knowledge generated aims to reduce indecision and ambiguity through the provision of generalizable principles. According to Burrell and Morgan, much management theory is concerned with the generation of certainties, the underlying assumption of which is that organisations and the societies within which they operate are stable, integrated structures comprising specific functional elements, combined with deterministic views of human nature\(^{52}\). There is an emphasis upon the maintenance of stability, with change being seen as incremental rather than revolutionary (Forray and Mir 1994). The role of management is assumed to be to create unity out of diversity through such means as organisational structures and systems, and leadership (Lee and Piper 1986).

Functionalist approaches to the study of organisations, or ‘systems’ theories tend to be largely technocratic, based upon the belief that the design of organisational structures or processes may be modified, and salient external factors may be identified and controlled in order to improve an organisation’s circumstances, for the benefit of all. The aim of functionalist approaches is to create and systematise concepts and categories of thought which are capable of structuring organisational

\(^{52}\) Examples of which are Taylor’s (1911) ‘scientific management’ and Williamson’s (1975) ‘organizational economics’.
reality so that it may be controlled efficiently and effectively. In using existing organisational discourses to codify practices in terms of general principles, functionalist approaches act as a mirror for management practitioners, reflecting their social reality back at them (Morgan 1990). As Willmott puts it, the reality described is assumed to be "objectively given, functionally necessary and/or politically neutral" (1990: 45).

Given its aim of political neutrality, functionalism does not question the desirability or otherwise of the system itself, but rather addresses elements of the system which either contribute to or detract from its maintenance. Tumin notes:

For a functionalist approach permits the investigator to take certain ends or interest or system-states as given, and to analyze the consequences - supportive and destructive - of any given set of practices for those ends, interests, or system-states. In the process, one may, without apparent penalty, narrow one's focus of attention so that only certain lines of consequence for certain actors are highlighted while others are ignored. This has the dual result of permitting scientific work to generate certain apparent value implications without really doing so, and, simultaneously, to carry real value implications without apparently doing so.

1965: 380

Functionalist management educational approaches are criticised not only for not questioning the normative foundations of management practice but also for "failing to explain the management incongruencies experienced in a post-Fordist (Kumar 1995), alliance capitalist (Dunning 1997), increasingly globalised, restructured organizational environment (Bartlett and Ghoshal 1993, Willmott 1994, Spender
According to Willmott (1990), the dominance of functionalist approaches within organisation theory went largely unchallenged until the 1980s, when more interpretative analyses started to become more commonplace. Although the existence of these interpretative or critical approaches is evident, the position and status of these analyses within management education generally and MBA courses specifically may be debated. As noted in chapter five, although mainstream management theory has engaged with elements of the interpretative paradigm, such as organisational myths, symbols, and culture, they are often adapted for a utilitarian or technicist orientation: a manager needs to understand about the myths, symbols or culture of an environment in order that they be manipulated and controlled for the purposes of achieving greater efficiency and effectiveness (Alvesson 1991; Ray 1986). Alvesson gives a number of examples of technically-oriented articles about organisational symbolism53. Willmott (1993) suggests that such notions of culture constitute the imposition of instrumental reason to control of the ‘affective domain’ in that they seek to shape the consciousness of employees.

The radical humanist approach to organisational theory emphasises the restoration of self-determination and potentiality to individuals within organisations. It focuses

upon ways in which individuals are constrained in expressing their humanness. Radical humanism provides an emancipatory and ethical understanding of organisations. Although radical humanist and radical structuralist or Marxian analyses are in evidence within journals and organisational theory books, they do not appear to hold any degree of prominence within MBA courses.

Although a diversity of theoretical frameworks is commonplace within sociology, it appears that within management and organisational studies, alternative epistemological standpoints are felt by many management theorists to constitute an unwelcome and unnecessary challenge to the status quo.

Paradigm diversity is most often interpreted as threat by those organizational scientists committed to well established models and methods for understanding organizations and who wish to understand the generation of knowledge as a gradual, cumulative, well-ordered process. Paradigm diversity from their point of view is often seen as challenging the legitimacy of what they feel they already know about organization

Morgan 1990: 13

In this respect, the adherence to a dominant paradigm leads management knowledge to have greater similarity with scientific rather than social scientific knowledge in certain respects. According to Anthony (1977), there is a high level of accord among management theorists that does not tend to be found within other fields of knowledge.
It seems clear that much of the work done in the study of management and organisations is largely positivistic. The world of business and management is regarded as a set of objectively given social facts, available for description and representation. The notion of objectivity implies a culturally and politically neutral standpoint, from which it is possible to make judgments which will hold indefinitely. A direct correspondence is assumed between the forms of representation used and the 'objectively apparent' world, where a unitary and objective truth may be sought. Informed by the principles of scientific method, the aim is to produce knowledge which is unbiased and value-free, and in representing reality as having an objective facticity, it is depicted as having some degree of closure.

Grey et al (1996) note that the positivism underpinning the study of management may be traced back to the influence of the engineering disciplines and the application of machine-inspired efficiency to the social domain of management. While drawing upon social scientific concepts and methodologies, albeit selectively, the basic assumptions of positivism still underpin much of the study of management, from scientific management, and time and motion studies, to more recently, prescriptions for excellence, total quality management, performance measurement and business process re-engineering (Grey et al 1996). As Knights argues,

Their claim to truth derives mainly from emulating the procedures concerning the production and operation of representations within the positive sciences but without questioning whether it is appropriate to objectify human behaviour in this way. Instead, the procedures for representing the outcome of human activity in the form of second-order constructs, for example, markets, demand and supply schedules,
company accounts, selection techniques, or collective bargaining are simply taken for granted. Claiming merely to report or represent the ‘reality’ observed, those who conduct positive studies seem oblivious to how their representations actually constitute the subjectivity of management, as practitioners draw upon these studies in their exercise of power.

Knights 1992: 523

The critiques of positivism are well known: the privileging of the observational position of the author, the lack of acknowledgement of the context within which the representations of reality are constructed and its influence upon this process, and the imposition of pre-existing epistemological frameworks upon data. Evered (1981) contends that the deficiencies of the dominant research paradigm have led to an epistemological crisis, contributing to a ‘crisis of relevancy’. A lecturer at Business School D argues that some of the research undertaken within business schools, while nominally positivistic does not adequately stand up to scrutiny, both in terms of its methodology and analysis:

One of the dominant modes of conducting research in business schools is questionnaire-based research and [researchers are] just sending out these things and not having any proper concern for the manner of hypothesis construction, and so on and so forth. So I feel that any halfway competent positivist social science researcher would be appalled as well.

Lecturer, Business School D

54 For critiques of positivism see Bernstein (1976); Feyerabend (1988)
One of the aims of more interpretive forms of research is to make explicit the tacit assumptions which underlie positivistic research. The relationship between subject and object, where the researcher places themselves in relation to what or who is being studied, is problematised. The dichotomy between subject and object so characteristic of Western science is considered to be no more than a cultural construction.

Many of the debates which have riven other areas of social science, such as modernism versus postmodernism, positivism versus hermeneutics, social facts versus social relativism, do not appear to have impinged greatly upon management studies. There are, of course, a few notable exceptions. There is a significant strand of knowledge within the study of management, which, informed by social philosophical theory, offers more critical analyses of management practice, and examines the epistemological foundations of management theory, as has been discussed in the previous chapter. Much of this work within the UK has been developed by a number of academics at UMIST.

Grey and Mitev (1995) make a distinction between ‘managerialist’ and ‘critical’ management academics. ‘Managerialist’ academics consider management education to operate for the benefit of management, aiming to contribute to organisational and managerial effectiveness. Alvesson elaborates the position taken by those academics proceeding from a managerialist ideology:
The questions formulated and answered, the perspective taken, the sectional interests supported etc. are grounded in a world view, a set of beliefs and values, which indicate that the top managers of corporations and other organizations are a highly important group, whose actions are normally supposed to support the social good (whatever that might be). The efficiency and scope of managerial actions are dependent on academically based knowledge and technical advice. These actions are worthy of such support and it is the mission of management writers to provide it. Other social groups in society are of a secondary significance, at least from an action perspective, and might be seen basically as the objects of managerial actions.

Alvesson 1991: 217

According to Grey and Mitev (1995), 'critical' management academics are those who seek to problematise management practice with reference to its social, moral and political contexts. They contend that despite the existence of critical research, the technicist mainstream still prevails. Although critiques may be found within mainstream management education, they are largely concerned with providing further, more sophisticated solutions to management problems, thereby reinforcing rather than challenging technicist understandings of management. Courses such as Business Ethics or Women in Management, although promising to deliver a more critical orientation, also tend to be presented within a managerialist, or instrumental, framework. As a lecturer at Business School D contends, such courses are

a way of subsuming ethical concerns into a management frame.... [By which] I mean I don't think that you can just add in ethical concerns in that way, that what is at issue is to understand how ethics permeates everything that we do, including, but in some ways especially
management, and that unless you do that, that anything that you do at the level of having a Business Ethics course is again either going to be a token effort or it is going to be actually deleterious to any substantive understanding of what ethical discussion and ethical practice might consist of.

Lecturer, Business School D

It seems evident that within management education, academia defers to and is defined by vocationalism. According to Kallinikos (1996), the distinction between formal knowledge (deriving from the intellect) and experiential knowledge (deriving from action), implying differing domains of teaching and learning, is resolved within management education through an emphasis upon techniques. Management techniques thus appear to be grounded in scientific procedures, but are also able to be applied practically. The emphasis upon the utility or instrumental value of knowledge corresponding with the practical reality of managers leads to a reliance upon descriptive concepts derived from practice and lower level analytical constructs. One difficulty in attempting to characterise the nature of management knowledge is that to make a distinction between the operational and the analytical - like trying to distinguish between theory and practice - is to identify a false dichotomy, in that practice is based upon and grounded within theoretical and abstract understandings of the world and likewise, theoretical understandings are largely derived from practice.

The term ‘recipe knowledge’ has been used to refer to knowledge concerned with pragmatic competence in routine performances - that is, knowledge which informs an individual ‘how to do’ various things. ‘Recipes’ are used to deal with routine
problems and as such comprise a large part of the social stock of knowledge. There is a body of recipe knowledge that is used and passed on within all institutions referring to appropriate rules of conduct. Within managerial practice, recipe knowledge is used for dealing with routine organisational issues. Spender (1989) uses the term 'strategic recipes' to refer to a set of informal rules which explain expected behaviours and outcomes of managerial action. As recipe knowledge is often derived from collective experience, it is often seen as common sense. Recipe knowledge is both used within management programmes and underpins much management knowledge.

The grounding of management theory in the problems and situations experienced by managers leads to the parameters of those situations being taken for granted and the theoretical scope being delimited. The dominant feature of vocationalism over the past two decades is that the gap between practice and knowledge about that practice becomes 'closed'. Vocational-sourced knowledge helps to reinforce the legitimacy of that practice. Practice therefore occupies a privileged position and the knowledge which sustains and enhances that practice is seen as having more relevance and salience than other sources of knowledge which might challenge or question its basis. As was discussed in Chapter two, management education has 'a utilitarian conception of education' derived from New Right political agendas which favour the economic function of knowledge and promote it as a consumer good (French and Grey 1996).
Value-neutrality

Among the central moral fictions of the age we have to place the peculiarly managerial fiction embodied in the claim to possess systematic effectiveness in controlling certain aspects of social reality. And this thesis may at first sight seem surprising for two quite different kinds of reason; we are not accustomed to doubt the effectiveness of managers in achieving what they set out to achieve and we are equally unaccustomed to think of effectiveness as a distinctly moral concept....

Managers themselves and most writers about management conceive of themselves as morally neutral characters whose skills enable them to devise the most efficient means of achieving whatever end is proposed. Whether a given manager is effective or not is on the dominant view quite a different question from that of the morality of the ends which his effectiveness serves or fails to serve. None the less there are strong grounds for refuting the claim that effectiveness is a morally neutral value. For the whole concept of effectiveness is inseparable from a mode of human existence in which the contrivance of means is in central part the manipulation of human beings into compliant patterns of behaviour; and it is by appeal to his own effectiveness in this respect that the manager claims authority within the manipulative mode.

MacIntyre 1981: 74

As has been previously discussed, one recurring theme within much of the management literature is the presumed neutrality and objectivity of management knowledge. The underlying assumption is that management practice is based upon a purely formal rationality, that it is possible to separate means from ends and knowledge from its application. Roberts (1996) contends that the dominance of
instrumental rationality within business schools leads to an emphasis upon the teaching of analytical techniques. The practice of management comes to be equated with techniques. It is on the basis of these ostensibly neutral techniques that managers base not only their claims of expertise, but also the legitimacy of the exercise of power: decisions may be justified in terms of the ‘objective’ facts derived from such techniques. Technical rationality thereby becomes self-legitimating and self-reinforcing (Roberts 1996). Not only do management techniques provide managers with the potential means of achieving organisational control, but also the rationalisation for their actions.

For Habermas (1971), the dominance of technical rationality leads to the world coming to be seen in purely instrumental terms. This domination of technical rationality is referred to by Lyotard (1984) as ‘performativity’; ideals of efficiency and optimal performance underpin the logic of instrumental reason. The accumulation of technicist management knowledge is guided by notions of performativity: if a finding can be acclaimed as being useful, there is a strong incentive for continuing with such research. Fournier and Grey (2000) suggest that traditional management learning has an overly performative intent.

Roberts (1996) contends that the assumption of a separation of an acting subject from the object of the action, as is implicit within technical rationality, is problematic as social life is produced and reproduced through action on the basis of our knowledge of the world. The emphasis upon the technical and instrumental nature of the knowledge results in the exclusion of, and possibly the inability to acknowledge,
dimensions such as the social and political values underpinning it, and the subjectivity and morality of managers (Collin 1996). Roberts notes that the knowledge used within management programmes derived from other academic disciplines, such as sociology, psychology and economics, tends to be drawn from the more positivistic strands, with many of the conflicts and uncertainties within these areas remaining unexamined. It seems clear therefore that the functionalist technicist approach to management knowledge leaves unproblematised a number of assumptions regarding the structures and mechanisms underpinning society, the nature and operation of markets and organizational hierarchies and the sources of their legitimation, and the nature and ontological status of management knowledge itself (Snell and James 1994). The interests of managers are treated unproblematically and are assumed to correspond with the social good.

However, as one business school academic who was interviewed noted,

As soon as you engage in the exercise of seeking to manage and then seeking to manage better, then you are automatically enmeshed in moral concerns and therefore you are automatically engaging in political discourse. So paradoxically in business schools, it is both heavily political and also strongly apolitical too, but it doesn't recognise its politicisation.

Lecturer, Business School D

Rather than being morally neutral, both the means and ends of applying management knowledge are structured around serving particular interests. Management knowledge is politicised both by the expectation that specific ends will be achieved through its application and also by the discourses which constitute it.
Clegg and Palmer suggest that,

Management theory, as a body of knowledge, is thus a political discourse par excellence. It is not only knowledge pertaining to power in terms of complex relationships between individuals and corporate agencies, between one organization and another organization, those relations that frame the every day intrigues, disclosures and dramas of working life. It is also political knowledge in the ways that its theory legitimates some practices while it marginalizes others, in the ways that its rhetoric provides not just a legitimation but the raison d'etre for what it is that some people are able to do to some other people.

1996: 3

Clearly, business schools as sites of knowledge production and utilisation do not exist in a vacuum: current and future economic conditions, employment policies and practices, and governmental regulations and incentives all impact upon what is accepted as knowledge. Foucault (1989) used the term 'domain assumptions' to refer to the taken-for-granted axioms, applied implicitly in the theorisation of phenomena.

In claiming a scientific status for technicist forms of management knowledge, their proponents consider them to be morally and politically neutral. A lecturer at Business School D refutes this however on the grounds that even the more positivistic types of management research are not able to be falsified, in the Popperian sense. Inherent within much management research are a number of assumptions about the nature of efficiency:
If value freedom is meant to be one of the defining hallmarks of positivist and scientific research, then how can you square that with a situation where you start from the premise: the purpose of doing research is to enhance the effectiveness or the profitability or the performance in some sense, either of a particular company or a national economy.

Lecturer, Business School D

It is argued by sociologists of knowledge, however, that even scientific knowledge may be considered to be influenced by cultural and historical contexts, which are integrally related to the processes involved in constructing them. Science should therefore be subject to critique on the basis of values, and not just facts (Haraway, 1989). Conventional interpretations of a value-free scientific method assume a separation of contextual (that is, social or cultural) and constitutive\textsuperscript{55} values (Longino 1989), in the belief that the social context should not impinge upon the internal scientific structure. It could be suggested therefore that to consider management knowledge as being acontextual is epistemologically limited.

Discourses are shaped by and embedded within the social practices which give rise to them. Management knowledge is both dependent upon and interlinked with management practice and the discourses and ontological frameworks present within that practice. As such, management knowledge is largely problem generated: issues in the world of business impact upon what is taught and discussed within business schools.

\textsuperscript{55}Constitutive values are “the source of the rules determining what constitutes acceptable scientific practice or scientific method” (Longino 1989).
As previously noted, the use of universal principles and generalisations within management thought to generate some certainty and control over phenomena, leads to an experience of the organisational world as being objectively apparent, in that organisational reality is structured through the codification of practices and systematising of concepts and categories of thought and presented as fact. As Power notes,

Organization, in its most general sense, is the appropriation of order from disorder and the exercise of power to overcome the 'essential undecidability' of organizational reality. Yet this continual process is disguised behind a myth of natural order

Power 1990: 121

In working closely with organisations in order to develop company-specific courses, business school faculty gain exposure to 'real-life' business problems which may then be utilised within teaching material. The close relationship between business schools and management practitioners gives rise to the issue of the extent to which business practice is reified through management and organisational theory.

Management knowledge is influenced to a large degree by the social, political, and economic agendas of those intending to utilise it. Given that business and industry provide a source of knowledge about management for business schools, some of which finds its way back to organisations via business school students, it is not surprising that management education reifies a particular world view. Decisions surrounding the significance of data or the acceptability of a theory are bound up with the value systems of those making the judgements. That researchers and
practising managers are attracted to particular theories or data, or find some more self-evident than others, is partly the result of prior expectations or commitments.

As has been previously discussed, in its reflection of "the sheer instrumental orientation of the contemporary world" (Kallinikos 1996: 43), mainstream management education has been critiqued for reinforcing rather than challenging the largely technicist orientation of many students: the role of managers in the production and reproduction of the social life of an organisation thus goes unproblematised (Roberts 1996). According to Huczynski, "one consequence of the managerialist perspective which predominates in business schools is the exclusion of vast amounts of potentially usable theoretical and empirical social science material" (1994: 32). Whether this is due to the conscious moulding of management knowledge to be ideologically palatable to managers or whether in seeking out material which managers will view as useful and relevant, academics unconsciously reaffirm the value systems of their audience, the effect is essentially the same (Huczynski 1994).

For what management education commonly does is to perpetuate an attitude which leaves inviolate students' prejudices and assumptions about the world. Students demand that their teachers do not disrupt their world-views with complicated theories and critical questions, but instead provide useful facts, models and techniques: most of their teachers slavishly obey. However, it is an abdication of pedagogical responsibility in management education to avoid the moral, political, social and philosophical issues which management raises. It is not intellectually tenable to avoid such issues since they are always presupposed whenever "techniques" are taught.

Grey and Mitev 1995: 86
According to Alvesson, however, a significant consequence of management theory is not the provision of techniques and practically applicable knowledge as is conventionally assumed, but rather an ideologically favourable discourse. "Instead of producing pay-off in a technical sense, mainstream management science's ideas, theory and terminology mainly exert an indirect influence, through ideologies and language which enable problems to be understood in specific ways and which affect the people in the organization" (Alvesson 1991: 210). A major contribution of management theory is therefore the discursive construction of organisational reality.

Baritz (1960) discusses the relationship between management practitioners and social scientists. He describes the employment of industrial social scientists by US business during the first half of the twentieth century. Social scientists claimed to be able to help businesses increase their effectiveness and productivity through the application of their expertise. The industrial social scientists subsequently employed found the scope of their research delimited by the goals set by management: they found their independence as researchers compromised by the need to service particular ends. According to Baritz, social science became "a tool of industrial domination" (1975: 327), with academics becoming 'servants of power'. Although managers feared that industrial social scientists would not appreciate the values and exigencies of business, those so employed focused upon what they were paid to. The interests of those affected by the decisions of management were largely unattended to.

From the pioneers in industrial psychology to the sophisticated human-relations experts of the 1950s, almost all industrial social scientists have either backed away from the political and ethical implications of their
work or have faced these considerations from the point of view of management

Baritz 1975: 330

In his analysis of the rise in popularity of the concept of organisational culture within organisation and management theory, Alvesson notes that,

Researchers have [always] been sensitive to the perceived interest of business. From Taylor onwards external economic and social forces have had a significant impact on the research questions asked and on the theories that have become popular. Organization theory has gone to great lengths to meet the expectations of the heads of business and industry.

Alvesson 1990

Alvesson also points out that management theory as used by practising managers may be different from that used by academics. Although there are clear links between the ideological dimensions of management theory and those who have an interest in them, such as managers, there is inevitably some negotiation of meaning and level of abstraction between academics and managers. The fact that the academics and students occupy different social milieux and have their own agendas and expectations leads to differences within the management discourse articulated by the two groups. In applying theoretical constructs to practical situations, some simplification may be made by the manager within the particular context. Management practices may, however, still be legitimated by the metatheory provided by the academic. The relationship between the academic and the student is a dialectical one in terms of the ways in which management discourses are negotiated.
Not only do students interpret and use management knowledge selectively, but academics will often tailor management theory to meet the practical orientation of the student. "The researchers' anticipation of the demands and expectations of the interest groups and the impact of these on the theories and the ideologies informing them is important" (Alvesson 1991: 211).

The relationship between management educators and practitioners is integral to the process of knowledge construction. Assumptions regarding the purpose of the knowledge transmitted are influential in determining the content. Thomas and Anthony (1996) suggest that management academics and practitioners may operate to different agenda within the management education context, in that management academics (particularly those of a more critical orientation) may provide practitioners ostensibly with what they want, while being of the belief that they in fact need something else.

Elliott (2003) examines the links between management education, management educators and practitioners in her discussion of the role of critical management theorists in the creation of management knowledge. She argues that if critically orientated management academics wish to challenge the ideological hegemony of management within industrial societies then it is necessary to examine "the system of relations that is inherent to the creation of meaning", that is the relationship between practitioner and educator. Elliott advocates the problematisation of the practices and assumptions of management educators. She suggests that management education is characterised by a legislative approach to knowledge (Bauman 1987) whereby the
academic is responsible for the definition of management knowledge; practitioners then become objects of that knowledge rather than its co-creators. She believes that a greater degree of negotiation of meaning and content with managers within the educational context is necessary, otherwise “the danger is that we [critical management academics] continue to reproduce knowledge that arises solely from the mouths of educators” (2003: 417).

Thomas and Anthony (1996) take a different stance, arguing that the academic market in management education does not need to be so closely linked to practitioners given its size. They suggest a separation of the study of management from the study of managing: critical management education can only educate managers if qualitative research of managers’ working environment is carried out and used to inform teaching materials.

According to Kallinikos (1996), a distinction needs to be made between management as a collection of administrative techniques and management as an orientation to the world, although the two are clearly linked. Management considered as an assemblage of techniques directed at organisational problems tends to be predicated upon an orientation to the world whereby processes are differentiated, measured and inspected so as to impose order and control. Bureaucracy is a manifestation of these ordering processes: it conceives of the world as divided, reproducing and legitimating these divisions. The calculative, quantitative, instrumental rationality which dominates Western thought bestows an objectivity upon all things through the imposition of order (Heidegger 1977). Kallinikos (1996) notes that
this broad orientation towards objectification and mastery is implied by, or even intrinsic to, management. It lies at the heart of the compartmentalisation of the material and social world, the growth and academic institutionalisation of administrative techniques, and also the constitution and reproduction of particular sets of beliefs, priorities and ideas that help define the basic orientations of contemporary human beings.

For Heidegger (1977), entities have come to have meaning only in terms of their use-value, to achieve particular ends: for something 'to be' in the age of technicity, is for it to be available for use or calculation. Language, which has evolved under the influence of metaphysics and representational thought, underpins instrumental rationality. Contained within language is the relationship between subject and object, what Weber (1989) calls the "conceptual matrix of modern representational thought", which characterises the technological impulse. Representation involves the world being selectively organised in terms of a particular set of assumptions or interpretations (Kallinikos 1996). Kallinikos notes that the pursuit of objectivity by science is in fact a quest to objectify the world: the world is made available for representation as an object (and therefore control) as viewed from the standpoint of the subject. Conceiving of the subject as an economic agent, consumer or producer entails "the ontological and epistemological requirements that prescribe and constitute a mode of being and operating" (Kallinikos 1996). Heidegger feared that ordering would become the only goal of human existence with the calculative, quantitative, instrumental rationality guiding the technological impulse becoming an end in itself, thus exemplifying the ultimate form of technological rationality.
It is possible to interpret the metaphysical tradition\textsuperscript{56} as a security project (Dillon 1996), in that the ultimate foundations or universal principles thought to underlie existence have been sought, in order to generate certainties upon which existence can be secured. Within the technological epoch, security has been sought through the ordering and control of the world and the beings, both animate and inanimate, contained within it. What is calculable is also secure as it is able to be controlled and mastered. Management, as an orientation to the world, could also be viewed as a security project. Many of the social and economic changes which have occurred not only in Britain but throughout much of the Western world over the past two decades have been conceptualised in terms of a management discourse. Within an organisational context, management practices aim to generate certainties, thereby leading to control of both internal and external environments. The manifestation of managerialist practices and discourses outside of an organisational context may also be interpreted as a drive towards increasing levels of control and certainty within other social spheres.

Conclusion

This thesis has sought to investigate links between the expansion of management education and the growth in cultural, economic and political significance of management practice. The business school has evolved to become an influential

\textsuperscript{56} For Heidegger, the metaphysical tradition emerged from Greek philosophy with the work of Plato and has dominated Western thought since. The task of metaphysics was the establishment of universal principles of existence, upon which certainties could be founded upon which to ground existence.
institution within the UK through its involvement in the construction and dissemination of management knowledge. Management education and practice are tied in with a particular way of conceiving, representing and acting upon the world. The social, political and historical context within which management knowledge is produced influences what is constructed and taken for granted as valid knowledge.

It is difficult to chart the processes through which management knowledge is constructed as they are fairly diffuse, involving management academics, consultants and practitioners, organisational and managerial practices, and economic and political issues and trends. Although organisations are both a source of data for business schools, and the eventual recipients of management knowledge, knowledge is not simply transferred between the business school and the organisation via the individual manager. The relationship between management education and management practice involves complex processes of negotiation, selection and interpretation regarding the legitimacy of the knowledge available.

It is possible however, to identify some of the factors influencing the construction and selection of what is considered valid knowledge and the forms it has taken. One of the most significant is the perceived need to accommodate the requirements of business and the expectations of their client base, leading the business school to emphasise the more vocational elements of management theory. Although as educational professionals, business school academics have the autonomy to create management education programmes independent of business requirements, there is an expectation that business schools will provide 'useful' knowledge. Vocationally-
based knowledge privileges practice; the knowledge which sustains and enhances it therefore tends to be regarded as being of greater relevance than those sources of knowledge which challenge the basis of that practice. Consequently, much of the literature produced and utilised, particularly within postgraduate programmes such as the MBA, tends to be prescriptive and consensual (Knights 1992). The validity of management knowledge and the significance of new data and theory are influenced to a certain extent by the values and expectations of those intending to use it: in contrast to other disciplines, management knowledge claims are available for definition by those other than knowledge producers (Whitley 1984). Management knowledge therefore tends to be judged on the basis of its utility, or the extent to which it may be thought to work.

Researchers and management practitioners find some theories more self-evident than others partly due to prior expectations or agendas. Although there are a number of management academics within business schools of a more critical orientation, there is nevertheless a strong commitment to the positivist tradition within management knowledge, which is a consequence not only of the pressure of market expectations but also the dominance of the managerialist academy. The interpretive framework of the academic or consultant is a significant factor in determining which knowledge is deemed appropriate. There appears to be an understanding within management education that the interests of managers are universal to a certain extent, that what is good for managers is also good for organisations, for individuals, economies and thus society as a whole (Lecturer, Business School D).
As discussed above, there are a number of approaches which may be considered to have underpinned the construction and collation of management knowledge that have prevailed at some point throughout the history of management education, and are drawn either from the conduct of management practitioners or from academic research. Although management knowledge draws upon social scientific theory and organisational analysis, it is derived largely from the more positivistic end of the spectrum (Huczynski 1994, Roberts 1996).

It is possible to identify a number of dominant discourses within management knowledge, among which are positivism, functionalism, vocationalism, and an emphasis on performativity. Much management knowledge is derived from a functionalist framework, which is suited to the aim of generating universal principles and certainties. As an apolitical orientation, functionalism represents reality as having an objective facticity and constituting a source of truths upon which to base principles of management practice. Within functionalist analyses, no epistemological space is considered to exist between the form of representation and an individual’s apprehension of the objectively apparent world, creating value-free conclusions. Reality is therefore depicted as having some degree of closure. The ostensible political and cultural neutrality of the techniques generated provides both a source of authority and the justification for the exercise of that authority: managers are able to rationalise their actions on the basis of such expertise.

Functionalist, positivistic analyses of organisational practices are characterised by an emphasis upon technical rationality, which focuses upon the most efficient means of
achieving particular ends rather than questioning the ends themselves. As many writers have noted, the dominance of a technical, instrumental rationality extends beyond organisational practices and constitutes a defining characteristic of the modern age. Management knowledge may be considered to exemplify an orientation to the world whereby the world is made available to be calculated, ordered and thus controlled.

Management education and practice largely exists within a hegemonic framework that delimits what is and is not possible within discourse. There is a large degree of consensus within the West as to the legitimacy of capitalism as a social system, particularly since the end of the Cold War. Knowledge imposes a conceptual order upon reality. Categories of thought therefore, have a controlling function as well as being agents for the transmission of knowledge. The categories provide a cosmology which legitimates the social order. Management knowledge is characterised by an adherence to and acceptance of normative principles of capitalism. With the absence of significant problematisation and questioning of management practices and their context, management educational programmes consequently promote an ideologically favourable discourse. Given the use by academics and consultants of management practice and practitioners as sources of data and theory, the knowledge constructed tends to occupy the same discursive domain. Although it may be questioned whether they do so consciously, management academics tend to reaffirm the value systems of their audience.

Foucault claims that all societies have regimes of truth or those configurations of knowledge which allow particular assertions or types of discourse to be accepted as
true. Regimes of truth also stipulate which techniques and procedures are to be accorded value in the acquisition of truth and what the status of those expounding what is considered true should be. Interpretive possibilities are shaped by the discursive boundaries of the domain (Smart 1986). Although critically orientated research often appears within management journals, mainstream management education programmes do not tend to address the issues raised. While the domain of management does not have discursive closure, the challenges which are made to the prevailing discourses are not generally accepted as 'true' or treated as legitimate within mainstream management programmes or by management practitioners. To that extent, it is certainly possible to consider management as a regime of truth, particularly given its discursive status within society. Although it may be questioned whether business schools have an actual effect on employment practices or whether students are merely being involved with credentialism, the promotion and affirmation of particular management discourses has tangible consequences. The application of such knowledge within an organisational environment leads to individuals interpreting and constructing their own social reality in terms of these discourses, attempting to secure identity and meaning. Although the nature of human agency means individuals relate in diverse ways, nevertheless, discourses generate actual outcomes.
Conclusion

The new languages and techniques of management have certainly arisen in political contexts, and have had political consequences. But they are not merely functional responses to, or legitimations of, given economic needs, static political forces or pre-existing social interests.

Rose 1989: 59

Management knowledge has evolved since the late nineteenth century from focusing on the direct control of relatively low numbers of employees based upon a shared craft knowledge, to becoming rationalised, standardised and formalised to enable the distant control of complex organisational forms. This evolution of management knowledge has been accompanied by the development of an infrastructure, including business schools, to disseminate this knowledge. Management, as a practice, an organisational function, and as a profession has grown steadily in cultural, political and economic significance, particularly over the past two decades. At the same time, management education has also increased in scale and perceived importance. A substantial number of new business schools were established during the 1980s and 1990s, with the remainder expanding rapidly during this period, supported by government funding. Business courses, seminars and literature have proliferated. This thesis has sought to explore the reasons for and the implications of the expansion of management education within the UK, examining it within its social and political context.
The rise of the business school has been fundamentally tied to the political and economic agendas of successive governments. Although management education became firmly established within the UK in the 1960s, it was not until the Thatcher governments of the 1980s that its scale increased dramatically. There was clearly a political will to revitalise the role of the manager within British society. A number of reports published in the 1970s by institutions such as the IMF and OECD linked the UK’s economic malaise to the inadequate skill levels of British managers and the existence of negative cultural attitudes towards industry. The impact of the economic crises of the 1970s and the dismantling of the social democratic settlement led to the emergence of a political strategy to strengthen the managerial prerogative and to equip managers and their workforces with the skills and attitudes deemed necessary to compete in an increasingly global economy. The New Right’s concern to reassert the authority of managers over an increasingly disaffected workforce became manifest in legislation aimed at undermining trade union influence and deregulating the workplace. Effective management was promoted as the route to economic success.

An emphasis upon realigning the relationship between the education system and the perceived requirements of the economy was central to the Thatcherite project of economic rejuvenation. Business schools occupied a pivotal position due to the fact that their activities overlapped with a number of governmental concerns, such as the focus upon efficient management, the promotion of vocational and ‘industrially relevant’ education and the re-legitimation of corporate capitalist values within both education and wider society. Increased governmental emphasis was placed upon

57 See Kenneth Clarke’s statement in the Introduction and Michael Heseltine’s comment in Chapter 2
vocational education and training, which by the mid-1980s was being defined around the concept of competence. Although most business schools do not tend to conceptualise their programmes in terms of competencies, the competence movement has contributed to the promotion of practice-based, utilitarian definitions of knowledge.

A number of reports published in the late 1980s, recommending an increase in both the quantity and quality of management education provision, are widely considered to have provided the impetus for the expansion of the business school sector. There was a convergence of interests around the expansion of management education. Although there has been significant governmental encouragement, the expansion was not generated entirely by the state at the behest of the business lobby: the appropriate conditions were created and it was left largely to the market to generate momentum. The university sector has been active in expanding the provision of management education, to secure much-needed sources of revenue. The expansion has also been encouraged by significant levels of demand from both companies and individuals. Demand for management education has grown not only through a perceived need for management knowledge - particularly within the public sector - and an expectation that applicants for management positions will have relevant business qualifications, but also through an increasingly widespread belief in the personal benefits of these qualifications. In the wake of changing employment conditions, individuals have opted to attempt to gain accreditation through portable qualifications that have currency within the job market.
By the time the management education reports were published, management was already a key political theme. Organisational practices within the public sector had started to undergo restructuring and reinterpretation in terms of a private sector managerial discourse. Although the relationship between private sector business and business schools is of significance, this thesis has focussed upon the public sector as a site of inquiry, as it is through an analysis of the role of management education and practice within the public sector that it is possible to ascertain the degree to which management has been the subject of state-sponsorship and political strategy. The introduction of new management practices and techniques within the public sector has had wider implications than merely the redefinition of roles. There has been a shift from the public administration paradigm which previously prevailed to a managerial paradigm, based upon new forms of governance, attached to concepts such as quasi-markets, performance indicators and audits. Political objectives have been translated into technical procedures.

The use of management to achieve politically designated aims has been accompanied by a cultural transformation. The marketisation of the public sector and changes in governance have not only reshaped institutional practices, but these changes have also been reflected discursively. The spread of a managerialist discourse into areas of life other than business indicates the elevation in status of management, contributing to its growth as a cultural theme. The development of managerialism may be viewed as part of a political project to extend state control. Managerialism has not only underwritten the realignment of the relationship between the state and welfare provision, but also between state and society, contributing to the emergence of a new
political settlement (Clarke and Newman 1997). Marquand (2004) refers to the New Right project to realise their political aims culturally as a *kulturkampf*, nothing less than a neo-liberal cultural revolution.

Given the political use of management techniques and practices and the cultural prevalence of management discourses, this study has sought to examine the processes whereby management knowledge comes to be constructed, the main influences upon this process and the values and ideologies it supports. Although the knowledge surrounding management practice is constructed and negotiated in a variety of organisational contexts, by various social actors, it is within the business school that the knowledge becomes formalised, codified and able to be disseminated. Although what is taught within the business school is unlikely to be transferred wholesale to management practitioners and immediately utilised, there must be some degree of correspondence between management practice and management knowledge for the latter to be considered relevant and of use.

Being part of the university sector, the business school is essentially an academic institution, but it also has significant commercial links, relying financially to a certain extent upon the corporate sponsorship of its students. This study set out to assess how having to accommodate both academic and commercial considerations impacts upon what is taught, and upon those working within the business school. Business schools do not merely operate as handmaidens to industry but constitute professional communities in their own right, encompassing a range of working practices, value systems and work-based identities. Interviews were carried out with
a number of academic members of staff at four business schools to explore possible tensions between the acceptance of business values based on capitalist principles, and the academic requirement for critical analysis of business practice.

The academics interviewed were from a diversity of backgrounds, ranging from those who had been employed in business prior to working within management education to social scientists from a purely academic background. This diversity gave rise to a variety of differing viewpoints regarding the degree of accommodation they felt was required to balance academic and business priorities. Some of the academics interviewed did not see any separation of academic and commercial interests, whereas others clearly felt that the negotiation of work-based identities was an issue for them. A couple of those interviewed were able to rationalise the relationship between their role within management education and their identity as an academic, although they did acknowledge a difference between the two, whereas others demonstrated some difficulty in reconciling their current occupation with their personal belief system. Those academics who publish more critically orientated work seem to be least willing to accept the market-driven epistemology which underlies many management programmes. It is among these academics that a disjunction between academic and business value systems and worldviews may be identified, highlighting the largely technicist orientation of many other business school academics. The use of management knowledge for political ideological purposes raises the question of the role of business school academics.
As Baritz puts it:

social scientists, by providing, without interpretation or advocacy, techniques and concepts useful to men engaged in struggles for power, became by default accessories... while insisting that they were innocent of anything of the sort.

1975: 333

Within the text of the MBA programme analysed, any discontinuities between academic and practitioner world views did not seem to be apparent. The analysis aimed to identify some of the assumptions underlying this knowledge and the reasons why particular conceptions of management prevail over others. In examining the curriculum of business schools, it appears that a major consideration is the influence of the market for management qualifications. The structural changes introduced within the higher education system and the definition of its activities in terms of a business-related discourse, involving such concepts as 'customers', 'products' and 'markets', has led to a commodification both of knowledge and of the teaching relationship. The business school is one of the sites where this process is most evident.

A number of recurrent themes emerged both from the analysis of the MBA programme and from the interviews with business school academics: there is an expectation both from students and among business school staff that the knowledge within management programmes should be applicable and relevant, corresponding with the lived experience of the manager. The financial need to attract students leads business schools to attend closely to calls for relevance. The selection and
presentation of management knowledge is influenced by the extent to which managers will find it useful.

The definition of what counts as appropriate knowledge is shaped not only by student expectations but by the vocational paradigm within which it is situated and by the normative structures of capitalism. In presenting practice-based knowledge, the MBA accepts the terms and parameters of vocationalism, discussing issues in terms of the optimisation of managerial practice and performance. The more theoretical aspects of the course are structured around the need to be of practical use: any questioning of the frame of reference is limited. Situating knowledge within a vocational paradigm leads to a privileging of praxis, resulting in a lack of epistemological space to question the contextual framework shaping the emergence of that practice. The normative boundaries within which management practice takes place are largely unproblematised and tend to be taken for granted. Management ideologies therefore reinforce the prevailing characteristics of British individualistic capitalism.

Managing is an unavoidably political activity, but the MBA does not tend to acknowledge differential power relations in any meaningful way, presenting largely conflict-free models of society. Addressing the inequalities and social consequences arising from the application of the knowledge propounded is taken to fall outside the remit of the MBA programme, despite these consequences often being justified and legitimated in terms of management discourses. Although the acceptance by managers of the principles upon which management practice is based may lead to a
view of managers as ‘agents of capital’, management does not simply constitute a control device “which ensures the single-minded pursuit of an unambiguous technical, political or ideological imperative to which all aspects of social action, including managerial action, must be rigidly subordinated” (Reed 1990). Control is always able to be challenged and undermined by human agency. However, management discourses are able to shape the possibilities for thought and speech and provide not only an interpretive framework for managers but also contribute to the institutionalisation of economic activity through the shaping and controlling of human conduct.

This study has sought to explore the social, political and cultural significance of management within contemporary British society and provide a sociological analysis of the business school, locating it within its social and political context. The rise of the business school has comprised part of a powerful political agenda. There are strong links between the business school and the agendas of the New Right. Although it is difficult to identify direct causality between the two, the political promotion of management through the New Right’s various programmes of reform does indicate intentionality. The management discourses which currently prevail are the product of a particular social, political and historical context and have come to occupy a prominent position within contemporary society. The manifestation of managerialist practices and discourses outside of an organisational context may be interpreted as a drive towards increasing levels of control and certainty within other social spheres. It is possible to view the ‘managerialising’ of society as indicating the advent of a ‘managerial age’ whereby certainties are sought through the use of
managerial practices and discourses, ordering, calculating and controlling the world on the basis of an instrumental economic rationality.
References


  Organization Studies Vol. 6 pp 117-38


 Aronowitz, S. (1978) ‘Marx, Braverman and the logic of capital’ The Insurgent Sociologist Vol. 8, Nos. 2 & 3 pp 126-46


 Ashridge & Institute of Management (1996) The Qualified Manager: A survey of managers’ attitudes to business and management qualifications Institute of Management


Association of Business Schools (1998) ABS Website


Association of MBAs (1998) AMBA Website


Barney, J. (1986) 'Organisational culture: Can it be a source of sustained advantage?' *Academy of Management Review* Vol. 11, No. 3 pp 656-65


Bendix, R. (1956) Work and Authority in Industry: Ideologies of management in the course of industrialisation John Wiley and Sons


Carlson, S. (1951) Executive Behaviour Stockholm: C.A.Stromberg


March


Cockburn, C. (1983) *Brothers: Male dominance and technological change* 
London: Pluto Press


BIM/CBI


329


Developing Managers For The 1980s London: Macmillan


Gamble, A. (1988) *Free Economy and Strong State*


The Guardian (30 April 1994) ‘The cost of Whitehall’s shamanistic rituals’

The Guardian (1 March 1995) ‘State bill for consultants ‘tops 865m’”


Hanson, N.R. (1969) *Perception and Discovery* San Francisco: Freeman, Cooper


HESA (2005) Higher Education Statistics Agency Website


*Management Education and Development* Vol. 19, No. 4 pp 301-310


The Independent (26 October 1998) ‘Blair shifts to the left on Europe’

The Independent (2 May 1996) ‘Masters of their own destiny: a new survey reveals what managers really think about the value of MBAs’


341
Marxism Today September

Human Studies Vol. 7 pp3-21


Lane, C. (1989) 'From “welfare capitalism” to “market capitalism”: a comparative review of trends towards employment flexibility in the labour markets of three major European societies' *Sociology* Vol. 23, No. 4 pp 583-610


Learning and Skills Council (2004) *Skills in England 2003*

Leavitt, H.J. (1989) 'Educating our MBAs: on teaching what we haven't taught' *California Management Review* Spring


345


Cambridge: Polity Press


Myers, C.S. (1927) *Industrial Psychology in Great Britain* London: Cape

NEDC (1963) *Conditions Favourable to Faster Growth* London: HMSO


349


Public Management Foundation (1994) *Public Manager in the Middle* Working Paper


Salaman, G. & Thompson, K. (eds.) (1980) *Control and Ideology in Organizations*  
Milton Keynes: Open University Press

management from researching organizational members’ everyday practice’  
*Management Learning* Vol. 34, No. 3 pp 291-312

Cambridge: Cambridge University Press

Sanderson, M. (1972) *The Universities and British Industry 1850-1970*  
London: Routledge and Kegan Paul

Sathe, V. (1985) ‘How to decipher and change organizational culture in Kilmann, R.  
et al (eds.) *Gaining Control of the Corporate Culture*  
San Francisco: Jossey-Bass

resource management practices’ *Academy of Management Executive* Vol. 1,  
No. 3 pp 207-219

The Hague: Martinus Nijhoff

Seabrook, J. (26 June 1998) ‘A global market for all’ *New Statesman*

Sennett, R. (2006) *The Culture of the New Capitalism*  
New Haven: Yale University Press

Sewell, G. & Wilkinson, B. (1992) ‘Someone to watch over me: surveillance,  
discipline and the Just-In-Time labour process’ *Sociology* Vol. 26,  
No. 2 pp 271-89
*Studies in Political Economy* Vol. 24 pp 105-129

Sims, D. et al (1994) ‘Between experience and knowledge: learning within the
MBA programme’ *Management Learning* Vol. 25, No. 2, pp 275-287

Management in Britain* Oxford: Basil Blackwell


Smart, B. (1986) ‘The politics of truth and the problem of hegemony’ in Hoy, D.

Smithers, A. (1993) *All Our Futures: Britain’s education revolution* London:
Channel Four Television Dispatches Report on Education


Snell, R. & James, K. (1994) ‘Beyond the tangible in management education and
development’ *Management Learning* Vol. 25, No. 2 pp 319-40


*Academy of Management Review* Vol. 1 pp 322-36


359


Appendix I

Figure 1 Attendance on MBA programmes

Source: AMBA, 1998

Figure 2 Percentage of British MBA graduates

Source: AMBA, 2003
Figure 3  Student numbers for courses in Business and Administration as a percentage of total student numbers

Source: HESA, 2006

Figure 4  Students numbers for courses in Business and Administration

Source: HESA, 2006