Managerialism: Born in the USA

Confronting Managerialism: How the Business Elite and Their Business Schools Threw Our Lives Out of Balance, by Robert R. Locke and J.-C. Spender. London & New York: Zed Books, 2011.

Managerialism: A Critique of Ideology, by Thomas Klikauer.
London & New York: Palgrave Macmillan, 2013.

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> Born down in a dead man's town
> The first kick I took was when I hit the ground
> You end up like a dog that's been beat too much
> Till you spend half your life just covering up…
>
> Come back home to the refinery
> Hiring man said son if it was up to me
> Went down to see my V.A. man
> He said son, don't you understand…
>
> Down in the shadow of the penitentiary
> Out by the gas fires of the refinery
> I'm ten years burning down the road
> Nowhere to run, ain't got nowhere to go
>
> Born in the USA, I was born in the USA
>
> Born in the USA, I'm a long gone daddy in the USA
> Born in the USA, born in the USA
> Born in the USA, I'm a cool rocking daddy in the USA
> (Springsteen, 1984).

Bruce Springsteen is one of *the* chroniclers of the dystopian realization of the American Dream, and "Born in the USA" is perhaps his most famous version of it, although deeply misunderstood by conservatives at the time of its release. Springsteen's persistent themes concern the loss of the American Dream of a life well lived, of honest jobs and good employers. These are persistent themes; elsewhere he noted that "lately there ain't been much work on account of the economy" (Springsteen, 1980). The economy, as Emmison (1983) noted, is a relatively recent concept, conceived of as a sphere of specific activity, dating at the earliest from the late nineteenth century, and it has a similar genealogical and national origin as management, being born in the United States. Managerialism is a later corruption of the study of management, introduced by F. W. Taylor; it is less concerned than Taylor with how things are best made and is more concerned with Taylor's teleological goal of producing a specific kind of efficiency, usually justified in terms of "the economy." It is this utilitarian conception that has characterized managerialism from its inception in Taylor.

In this essay I review two recent accounts of managerialism. The point of doing so is to focus on the research-practice "gap" so often noted. I do so not to lament it but, instead, to suggest that management research all too often has been taken up in practice to ignoble effect. I begin by discussing the broad parameters of managerialism before considering it as ideology, argument, and genealogy in order to lead to a consideration of ethics and the moral basis of order as it is exhibited in different instances of culture and management studies. I conclude by noting the doleful impact of managerialism on management.

MANAGERIALISM

Managerialism, as a distortion of the study of management, is something also born in the United States, in the mid twentieth century, according to the two books under review. So what is managerialism? According to Locke, it is

> what occurs when a special group, called management, ensconces itself systematically in an organization and deprives owners and employees of their decision-making power (including the distribution of emoluments)—and justifies that takeover on the grounds of the managing group's education and exclusive possession of the codified bodies of knowledge and know-how necessary to the efficient running of the organization, (2009: 28).

By contrast Klikauer emphasizes ideology:

> Managerialism combines management knowledge and ideology to establish itself systematically in organizations and society while depriving owners, employees, (organizational-economical) and civil society (social-political) of all decision-making powers. Managerialism justifies the application of managerial techniques to all areas of society on the grounds of superior ideology, expert training, and the exclusive possession of managerial knowledge necessary to efficiently run corporations and societies …
>
> Management + Ideology + Expansion = Managerialism
> (Klikauer, 2013: 2, 3).

Locke and Spender (2011) also see managerialism as ideological: it resides in managers' self-conception that they are a professional caste, in the sense of being a division of society based on differences of wealth, rank or privilege, profession, and occupation. Unlike traditional conceptions of caste, these differences are achieved rather than ascribed traditionally. The achievement is gained through training in a business school; on that basis, armed with specific techniques and rationalities, the assumption of caste is confirmed by the ascription of privileges that attach to the assumption of the role.

Ideology

While Locke and Spender use the idea of ideology in a fairly matter-of-fact way, the term plays a heavy-duty theoretical role for Klikauer, who offers a number of definitions. Ideology is (1) an "ism," a belief system with a cognitive content held to be true; (2) a doctrine consisting of a shared set of common ideological beliefs and practices; (3) a set of ideas that constitute goals, expectations, and actions; (4) a comprehensive vision, a way of looking at things; (5) the creation of false consciousness; (6) the socialization and engineering of compliance that creates victims of their own delusions, their own false consciousness; (7) normative thought processes; (8) a cloak of reality, hiding its contradictions; (9) a cacophony of aberrations and inconsistencies; (10) systems of abstract thought applied to public matters; (11) a redirection of thinking away from truth and into a specific direction invented by a hegemonic and powerful group; (12) pejorative; (13) commonsense; (14) generated by universities housing management schools; (15) knowledge in the service of power; (16) one-dimensional, not dialectical; and (17) not wise—does not understand but covers up, eclipses, and distorts (Klikauer, 2013: 2–8).

Cognoscenti will recognize the influence of Marcuse's (1964) conception of critical theory and *One-Dimensional Man* in this enumeration of definitions. Klikauer provides an updating of Marcuse applied not to the sphere of consumption, Marcuse's favored target, so much as to the sphere of the organization of all things. Just as Marcuse had a key ideological text in view (Vance Packard's 1957 book, *The Hidden Persuaders*), so does Klikauer: the text is Magretta's (2002) book, *What Management is: How It Works and Why It Is Everybody*'s *Business*. The book is laced through the pages of Klikauer's treatment as a testament of all that is opposed and is used as a persistent point of reference.

Behind Klikauer and Marcuse stands Adorno (1944) and the construction of an answer to the question of what ought to be. In critical theory ethics transcend existential being and are key to future possibilities of becoming better. Certain key moves are essential to such positioning. First, the vast majority of people suffer under false consciousness; second, their consciousness is false because it does not accord with what a scholar schooled in critical theory would have them think and do; third, this means shifting from a knowledge interest in control, such as is found in managerialism, its reification and embodiment in positivism, to hermeneutic understanding and, ultimately, critical thinking that rips off the veil of false consciousness. Traditionally, critical theory had a historical subject: proletarians for Marx, creative artists (as long as they were not jazz lovers) for Adorno; revolting students for Marcuse. Klikauer's historical subject will be nature: rather as Weber (1975) did, with his expectation that industrial capitalism would survive until the last ton of fossil fuel had been burned, Klikauer expects that nature poses the ultimate limit to managerialism and that with nature's ultimate despoliation the collective consciousness of a new ecological antimanagerialism will emerge.

Argument

Both Locke and Spender and Klikauer have a very clear structure, but they do not share a similar clarity in prose. The former is lucid; the latter is not. The former is sharp and to the point; the latter is a blunderbuss firing pellets with will at almost all features of the modern world. The former is a specific argument; the latter is a prolix argument where everything is seen through ideology critique.

Locke and Spender take as their key trope the nature of how lives may be lived in balance as opposed to out of balance. A key factor in managerialism's role in unbalancing lives and societies has been the temptation for business school academics to invent an abstract world that they find more attractive than the real one for reasons that are largely methodological. The argument is aimed against the introduction of a fetish of numbers in the analytic guise of a commitment to positivism in business school theories from the 1960s onwards.[1] In addition to methodological abstraction, what is significant is what is left out of the abstracting: a concern with an ethics of care, of commitment, of vocation, of moral and political responsibility to society, cast asunder in the name of "value freedom."

While the outline of the arguments of the two tomes is similar, the ways in which the arguments are constructed are not. Locke and Spender proceed historically and comparatively. Klikauer rarely touches on comparative detail and assembles history through a teleological perspective. Locke and Spender contrast the practice of management as managerialism in the United States with the practice of management drawn from other types of political economy, mainly Japan and Germany. Klikauer does not seek such substantive ground in his critique. His is not so much a critique of U.S.-derived managerialism, contrasted with other political economies, as critique grounded in truth as defined by critical theory. It is surprising, some forty-four years after *The Dominant Ideology Thesis* (Abercrombie, Hill, & Turner, 1980) and its critique of dominant ideology, that such an enterprise so totalizing and so all-encompassing as *Managerialism: A Critique of an Ideology* should be launched.

Genealogies

Locke and Spender proceed thus: managerialism is grounded first, in the practical mechanics of Taylor (1911), joined by an altogether higher level of design—the emergence of the M-form corporation as a new form of instrumentality premised on numbers generated as internal operating, financial, and cost data. The ascent of numbers as the basic form of calculation meant the ascent of those who best mastered their rhetoric, as Fligstein (1985) so decisively explained. The American managerial revolution consisted of Taylorism + the multidivisional firm + the new instruments of calculation used within it. A decisive shift away from concrete activities to their abstraction in symbols, namely in terms of finance, capital, and accounting, was underway. With this shift came a belief that management was a generic capability applicable decontextually to any form of organization.

A generic capability assumed caste-like qualities with the solidification of certain precepts: the primacy of efficiency as maximum output with minimum costs; instrumental tools addressing and solving every problem; managers as a new class forged in business schools; the use of the knowledge forged therein making the world a better because more efficient place. Efficient for whom, one might have asked—but, increasingly, one did not find business schools posing the question because the answer was evident: shareholders whose value was preeminent.

[1] Of course, the argument could just as easily have been targeted against critical theory's abstractions as those of positivism, for neither connects with the real world. They are very different forms of abstraction, but they are abstractions nonetheless.

Locke and Spender view operations research as a beachhead for the quantification of management owing to the capture of this field by heavy quantification as a result of wartime achievements. These took place in both the United Kingdom and the United States, but American utilitarianism triumphed over the gentlemanly amateurism of the Brits, with lashings of Defense Department funding and a kick in the pants from the Ford Foundation and the Carnegie Commission assisting. The former fueled the growth of mathematical techniques of problem solving, at least for a while; the latter ensured the replacement of trade knowledge by the new behavioral sciences in the business schools. Their task was aided by the Royal Bank of Sweden, which in 1969 created the so-called Nobel Prize in Economics that served to cement the reputation of a discipline and a specific neoclassical and quantitative paradigm. The new paradigm went on to dominate the top universities, institutions, and "Nobel" prize winners, spreading to become the normative template for management knowledge. The greater the achievement, the more decontextual the knowledge had to be, cutting loose from any moorings in substantive knowledge, becoming increasingly theoretical and technically complex.

By the 1980s American management theory was ascendant while American industry declined in the face of the Japanese challenge. Already by the late 1970s it had become evident that the Japanese did not operate according to the precepts of standard U.S. textbook management science, but seemed to be all the more successful for not doing so. The Japanese challenge was interpreted initially in cultural terms, because it was in the humanities, social science, and arts faculties, not the business schools, in which the requisite substantive knowledge resided. The business schools had many scholars who were masters of abstraction but few at that time who had substantive knowledge of versions of reality other than those constituted abstractly.

The Japanese challenge represented an external assault on the foundations of U.S. management science that made no sense of realities outside its abstractions. The internal challenge came from a subterranean history of American management thought: the impact of Deming's (1982) statistical quality control thinking on Japanese practice after being introduced by the Corps of Engineers during the Occupation as a part of postwar reconstruction. The Japanese continued to build process improvements on the methods that Deming introduced and had a type of management structure that enabled learning to take place. When American scholars "discovered" the substantive secrets of Japanese excellence in the 1980s (Fruin, 1992; Kenney & Florida, 1993; Womack, Jones, & Roos, 1990), it also became evident that the successes were embedded in a very different form of organization than the machine bureaucracies, divisional structures, and shareholder value-oriented organizations typical of the United States. Even the same technologies were used in very different ways, with different effects, in the same industry—automobiles—in the two countries (Clegg, 1990). These differences were glossed in terms of different approaches to learning, the importance of tacit knowledge (or rather knowing), attributed to organizational embeddedness and the significance of networked social relations, as well as relations with sources of financial capital (Clegg, 1990).

While the Academy was not up to speed on the various ramifications of the Japanese challenge, it similarly missed indigenous innovation. Abstract management science was not responsible for the breakthroughs that America became most famous for in the postwar era: the rise and rise of Silicon Valley and the IT revolution. Essentially, these events were a spin-off of U.S. military Keynesianism—the massive amounts of Defense Department expenditure on complex systems in the context of the Cold War with the USSR. These were the origins of much of what we take for granted today, such as the Internet. Innovation thrived in Silicon Valley, yet it did not do so because of managerialism but, rather, as a result of dense embedded networks linking entrepreneurs, innovators, and investors. Managerialism at Apple nearly killed what became the world's most successful company measured in terms of market capitalization. Steve Jobs, much as a character from Greek mythology, returned from the wilderness to which he had been expelled to reclaim what was rightfully his to build, an empire of i-products from which he cast out the managerialist legacy through commitment to creativity and design enforced with authoritarian charisma.

The substantive details of this story are not to be found in Klikauer's book. Here managerialism becomes a huge reification ingesting, transforming, and dominating all in its path. The only things that managerialism finds indigestible are critical theory and its Kantian and Hegelian predecessors. While big theory is not on the menu handed down from classical tradition, a form of "lite" criticism, identified as critical management studies, appears as a new form of enterprise. It is to no avail: only critical theorists and critically reflective individuals can differentiate true needs from those that are false (Klikauer, 2013: 29). Managerialism swallows individuals' individuality and excretes it as homogenous resources, dessicated and ready to use as corporate fuel, much as a peasant might use cow dung.

The third chapter of Klikauer finds managerialism "annihilating social change" by chaining employees as auxiliaries to various digital machinery and devices. Media stigmatize all those unchained, except by wealth, as slackers and welfare cheats. Surplus value theory (which, unless connected to an account of globalization and extended supply chains, is barely plausible), gets a workout: living labor power is subordinated to dead labor power and is ruthlessly exploited; wage slavery is the norm, with drudgery and division the stuff of everyday working life, in which employees are yoked under false leadership to false needs, victims "asphyxiated" by the managerial paradigm. Corporate corruption is endemic. Universities are subservient to ideology. Managerialism is rampant. Managerialism assumes the mantle of science as a disguise. Managerialism's rationality becomes overwhelmingly irrational as enterprise: Marcuse on steroids.

"Managerialism and managerial thinking has to colonise every eventuality of human life" (Klikauer, 2013: 59). The victims are piling up: "human values such as inquisitiveness, curiosity, questioning things, Adorno's *Mündigkeit*, Kant's self-determination, and Hegel's self-actualization" (p. 61); "white-collar workers" (p. 63); "trade unions and working class consciousness" (p. 64). Ideology infects those who are made to believe they are free (p. 67), teaching us that "resistance is futile" (p. 73): "It is George Orwell's *Big Brother* without a *Big Brother* as Managerialism has no centralized mission control desk" (p. 79). Managerialism, like rust, never sleeps: "It needs a real or invented enemy (communism and terrorism) that is permanent in order to justify its existence by pretending to be a counterforce and thereby distract from reality" (p. 79). Managerialism trades on a "politics of fear" (p. 80); it is a "form of life which would dissolve the very basis of human existence on a global scale" (p. 84).

ETHICS AND THE MORAL BASIS OF ORDER

One of the exceptional things about the United States is the high profession of religiosity among its citizens, Locke and Spender note. America is not a secular society similar to many other advanced democracies and notionally Christian countries. The fastest growing religion in the United States is Evangelical Protestantism. The moral failings of Evangelical Christianity—the religion of the Republican and redneck heartland—are all too evident in a commitment to an egoistic and prosperity gospel that reeks of New Age philosophies of self-improvement compared with the selflessness of the historical Jesus. Islam, by comparison, has a strongly ethical conception of finance and banking; the Confucian ethics of the post-Deng Xao Pin Chinese Communist Party strive to build solidarity.

Other versions of Christianity are possible. The traditions of both Catholic and Protestant solidarity in Germany animate governance of codetermination by employers and unions in enterprises. Codetermination was bitterly opposed by U.S. corporate interests in the period of postwar reconstruction and remains anathema to the vast majority of business elites to this day. In

Germany organic conceptions of the firm flourished because of embeddedness in one form of Christianity while in the United States they withered because of their embeddedness in another form: the fastest growing religious ideology of conservative Protestant religiosity. Mammon and God entered a fateful union sealed in a ceremony presided over by rational choice theory (Bellah, 2000) and transactional theories (Grudem, 2003). In the name of these abstractions, a desiccated and abstracted rationality flourished, which prosperity gospels legitimated for Middle America in terms of an excessive individualism and disregard for the social as a sign of socialism. The chickens came home to roost in the 1980s, in the era of Reagan's presidency, as failing companies reneged on whatever commitments to social solidarity they might once have had, aided and abetted by the legitimation of greed sponsored by Wall Street and supported by the new Republicanism, while, for the heartland, the message of rugged and self-reliant individualism could be couched in terms dripping with the old ideology of religiosity reinterpreted for modern times.

Wall Street greed and political rhetoric were aided and abetted by business education. While classically economics had been, as Adam Smith (1759) termed it, a theory of moral sentiments, by the late nineteenth century and the marginalist revolution, ethics was evacuated from its concerns. Economies were conceived in terms of movement around an equilibrium that knew of no golden mean other than efficiency and no better way of representing such a mean than mathematically. Ethics got stuck in the humanities faculty, where it turned postmodern. While managerialism was classical modernism, and ripe for criticism, it was not so criticized, say Locke and Spender. Perhaps not in the United States, but some people were not quite so unaware. However, their non-American locations probably confirmed their marginal status as much as the content of their ideas. Postmodernism did enter the Academy even if the Academy chose, mostly, not to notice. While the postmoderns may have been alert to issues of ethics (Clegg & Blei, 2010; Clegg, Kornberger, & Rhodes, 2007; Clegg & Rhodes, 2006; Deroy & Clegg, 2011; Gordon, Clegg, & Kornberger, 2009; Ibarra-Colado, Clegg, Rhodes, & Kornberger, 2006; Rhodes, Pullen, & Clegg, 2010), little of antifoundational or antideontological scholarship seemed to make any difference. Nor did virtue ethics (MacIntyre, 1992; Rego, Cunha, & Clegg, 2012).

> Aside from the occasional isolated course on business ethics, students are exposed to secularized systems of impersonal management decision-making. They are taught that decisions are to be made according to how they effect the bottom line; they learn to evaluate employees in terms of how their performance affects profitability. Numbers matter most when figuring whether to hire and fire, to keep, reduce, or eliminate employee benefits, to outsource, to build new plants abroad or close old ones. And a demoralized management caste exclusively makes the decisions. Some moral order! (Locke & Spender, 2011: 104–105).

Cultures

Klikauer addresses the culture of managerialism while Locke and Spender write about the decline of the U.S. automobile industry in cultural terms, again in contrast to the German and Japanese auto industries. It is a familiar story. Detroit ended up making cars that customers did not want and could not rely on. Moreover, U.S. automakers failed to achieve the innovations from flexible manufacturing that their competitors did because they had no way of working collaboratively with the shop floor and lacked a capacity for substantive knowledge of the industry they were in compared to foreign competitors. Eventually, they ended up making small profits from financing the sale of their cars, a market that collapsed in the wake of the global financial crisis, with all but Ford then bailed out. In this account managerialism killed the Detroit model, and the absence of managerialism was the making of the German and Japanese model: the difference was cultural, not in the sense of some hypostasized notion of a national culture but in terms of the culture of the workplace, organization, and employee relations.

Back to Klikauer and his take on culture. In the world of culture, more broadly, managerialism shapes not only corporate but also societal culture into “the rationality of irrationality” through an insidious logic of social integration that creates “commercially invented fake heroes” that “betray hope and destroy truth” such that “generation Y knows Paris Hilton but not Mary Wollstonecraft, Rosa Luxemburg or Simone de Beauvoir” (Klikauer, 2013: 87). (Actually, I think Paris may be old hat now; probably it will still be Miley at the time of publication, maybe even some last gasp of fame by a Kardashian or two.) The chapter dismisses contemporary popular culture, lambastes Skinnerian behaviorism, and laments the hidden injuries of class that managerialism imposes before, in the next chapter, reprising the import of Milgram’s (1974) work and connecting it to discussion of Bauman’s (1989) *Modernity and the Holocaust*. The one-dimensional nature of strategy games is critiqued before damning, once more, all whose discourse is cast in the language of managerialism. Virtually everyone, apart from the author and a few heavyweight German predecessors, seem condemned. “In all its ideological indirectness, the language of Managerialism impedes theoretical and critical conceptual thinking. It blocks critical thinking” (Klikauer, 2013: 127). *Ressentiment abounds.*

Management Studies

Locke and Spender’s discussion of the relationships among and between the financial crisis, business schools, and managerialism is exemplary: it draws on Khurana’s (2007; also see Clegg, 2008a) valuable work and includes relevant data on the changing shares of wealth going to labor and to an executive managerial strata equipped with the affordances of a pecuniary interest in capital through shares and stock options. Options in stocks and shares became the practical expression of agency theory, with its litany of mistrust of those charged with capital’s management, leading to a narrowing of perspectives on the stewardship of the firm to those simply of shareholder value.

Locke and Spender make comparisons once more with Germany and Japan, where much broader notions of stewardship were evident, particularly in the *Mittelstand*. Here the firm is viewed not simply as a bundle of shares with a market valuation but as an entity that owes commitments of continuity of family ownership, employee contributions, and community embeddedness alike. The contrast drawn with the United States could not be stronger: firms were asset stripped, bought, and sold, and pension entitlements abandoned in the process, with huge profits made through deals funded by speculation in return-on-investment and stock valuations. Firms, communities, industries, and people were ruined in these deals, but big money was made. However, the real action hinged on the Math boys: a litany of heroes of the mathematization of management that begins with Markowitz and includes, of course, Black, Merton, and Scholes, scholars who created the conceits of efficient markets, collateralized debt obligations (CDOs), and credit default swaps (CDS) and ended with the meltdown of the global financial crisis (for an instructive layperson’s account see http://www.youtube.com/watch?v=mzJmTCYmo9g).

The Nobel-winning devices were engines, not cameras: they did not operate on a correspondence theory of the world so much as create a world that corresponded to the coherence of their theory (MacKenzie, 2006). The business schools and business professors, especially in mathematical finance, played a key role in the development of the new devices that were premised on computer modeling and power and statistically probable market plays, such as those that linked CDOs with CDS. Combined “mathematical modeling, programming and the internet combined to raise derivatives trading to another dimension” (Locke & Spender, 2011: 168), the reverberations of which still echo globally.

At the base of these events (Deroy & Clegg, 2011) was the working out of the “physic envy” (Flyvbjerg, 2001 that had captured the business school professoriate in the wake of the reforms prompted by the Ford Foundation and the Carnegie Commission. As most readers of this journal will know well, the lure of positivist models came to define the ascendancy in management science and its associated theories.

Locke and Spender’s account of the business school is a lucid historical account with appropriate points of comparison with Germany and Japan. Klikauer’s is not. Instead, it is a prolonged argument that management studies abandoned theory for practice, which presumes that it began in theory, an assumption that hardly fits the facts of the matter. As Khurana (2007) and Locke and Spender (2011) argue, theory was a latecomer in the 1960s, and it was theory whose domain assumptions were based upon positivism, not critical theory.

Klikauer’s encounter with management studies is strangely surreal: it is more an encounter of a philosophy that never was a constitutive part of management studies with a management studies that is reduced to a massive reification of managerialism. In the account of “The Age of Managerialism,” the contours of the account given by Locke and Spender are vaguely discernible but stripped of historical specificity, characters, and events. Instead, more critical theory is layered on even more speculative and empirically thin foundations about the evolution of universities. While Locke and Spender present a lucid analysis of the growth of various science fictions premised on modeling, in a relentless outpouring Klikauer chooses to cast behaviorism as the villain in a conflation whose sweep entirely misses the mark.

CONCLUSIONS

“The entire world tends to become exposed to the totality of Managerialism absorbing everyone and everything in its path,” writes Klikauer (2013: 201). At this stage one might despair: all is seemingly lost. Critical theory, however, can provide hope. The hope rests on two things: the resistance of the Occupy and antiglobalization movements (analogues to Marcuse’s hopes for the student movement in 1964) and the ecological contradictions of global capitalism’s exploitive relation with nature, which point to apocalypse now or in the near future.

Klikauer ends on an essentially apocalyptic note, expressing the belief that the end of days is inevitable, that civilization will soon come to a tumultuous end because of some sort of catastrophic global event. Only esoteric knowledge, the acceptance of critical theory’s truths, can save us now, and this will ultimately be revealed when managerialism has to confront the ecological evils it has unleashed:

> Overcoming Managerialism in order to pave the way towards post-managerial environmentally sustainable living constitutes nothing less than the survival of humanity. Managerialism possesses no concepts capable of bridging the gap between the present and the future … CT remains loyal to those who—without hope—have given, and continue to give, their life to the great refusal set against Managerialism. This is no longer a hopeless enterprise because
>
> It is only for the sake of those without hope
> That hope is given to us (2013: 277).

So endeth the book.

Locke and Spender have a much less apocalyptic antidote to managerialism. First, they recommend the adoption of something similar to the German codetermination model as the

governance structure of nonfinancial firms, with limited voting rights attached to institutional shareholders. Second, all stakeholders should have power over the appointment of CEOs and boards, as well as remuneration strategies. Third, business school reform is necessary: the science fiction modeling of the economic neoclassicists should be curtailed, no longer serving as a template for the highest form of theorizing, with contact being reestablished with manufacturing.
Accompanying these reforms business schools must be responsive and responsible to all stakeholders, including trade unions and nonmanagement employees, or be shut down because their impact has been so pernicious. Realistically, for reasons akin to those of Klikauer, they do not expect this to happen in U.S. schools any time soon. Managerialism is too deeply embedded: the leadership must come from elsewhere, uninfected by U.S. excesses. By implication, U.S. business schools and managerialism should cease to be the model for the world. Given the moral bankruptcy of these models in the wake of their role in creating the global financial crisis, the time is ripe for such a switch. Today, contrary to the ideologues of managerialism,

> the choice is not between socialism and unregulated US neoliberal market capitalism, but between the latter and an institutionally regulated form of dynamic capitalism in which firms are more efficient because of participative management, and the market functions better because of a more equitable distribution of wealth in society. Unless a combination of domestic and international political pressures brings the necessary reforms to managerialism and business schools in the United States, they will not be part of the solution to current woes but a continued cause of dislocation in American society and in the world economy (2011: 192).

On balance, the calm analytics and steady narrative skills of *Confronting Managerialism* offer more leverage for reform-minded faculty, deans, and schools than the strong sense of moral outrage and theoretical density of *Managerialism*. Nonetheless, both books seem slightly out of date. Both could benefit from being connected to more current debates in theory that connect with their core issues, particularly those around the movement to establish *phronesis* as a third way between the excesses of either purely technical or theoretical fetishization (Flyvbjerg, 2004; Flyvbjerg, Landman, & Schram, 2012). Indeed, a concern with phronesis would enable the concrete histories and comparison of *Confronting Managerialism* to connect with theory in a way that avoids the dead end of critical theory's assumptions of omniscience (see Clegg, Jarvis, & Pitsis, 2013).

The essence of business school education has been a commitment to either instrumental scientific knowledge (*techne*) in which tools feature strongly or an abstracted *episteme* premised on physics envy. The idea that following a specific set of procedures should produce a predictable result is the essence of what is understood as the "normal" scientific method (Kuhn, 1962) as it has been translated into "positivism" (Clegg, 2008b). In the natural sciences positivism provides a formidable tool for prediction and control of the natural environment. Business school conceptions of positivism circumscribe the ethical universe as a nonethical universe of value freedom (Donaldson, 1996, 2005). The aim of positivism is to produce testable general explanations through controlled observation and methodical experimentation. The assumption is that the object domain is governed by predictable law-like regularities that allow for certain types of methodologically controlled techniques of inquiry.

Flyvbjerg (2001), the major advocate of phronesis, suggests returning to Aristotle to develop knowledge based on practical reasoning. Aristotle identified three knowledge interests: episteme, techne, and phronesis. Episteme concerns knowledge that is universal, invariable, and context independent; its modern-day ideal is natural science, which, in its analogies, is routinely configured as positivism. Techne, the type of knowledge that governs arts and crafts, is pragmatic, context dependent, and aimed at the production of useful things; in contemporary terms it would be craft-based knowledge where mastering custom and practice are important. Phronesis is action-oriented pragmatic knowledge that concerns things that are deemed good or bad. Thus, it is an *explicitly ethical form of knowledge* that is dialogical, developing through give-and-take discussion between social researchers and their subjects rather than merely through observations of others' practices by investigators or immersion in genre and theory as a form of researcher hermeneutic. In contrast, contemporary concerns with phronesis meld inquiry with value reflection and a program for political action. The political action required does mean reconsidering the ideological assumptions of dominant managerial models of business; far more sustainable approaches for inclusion of people and society in business need to be developed, and inequality and imbalances of power in organizational practice and business strategy need to be addressed as ethical or moral (as in relational) concerns.

Both books speak to the loss of an ethical compass in the times in which we work, even those of us not in U.S. business schools. Scholars increasingly compete for space in journals in which the domain assumptions of U.S. managerialism tend to be the default setting. The United States dominates the English-speaking world numerically, its journals dominate the rankings globally, and its scholars set the norms that others follow. Nonetheless, ethical indifference is not a universal stance, as the works discussed indicate. Other scholars have plowed furrows that neither recognizes.

There are contributions to debate, such as the *Varieties of Capitalism* (Hall & Soskice, 2001), that might have featured more explicitly in Locke and Spender; Klikauer could have dropped his theoretical purity a shade to allow that perhaps there is some value in at least some of the contributions from critical management studies found in journals such as *Organization* and *Organization Studies*. These contributions are dismissed as "academic and intellectual sadomasochism, self-mutilation, self-humiliation and self-denunciation of intellectual enterprise of Enlightenment" (2013: 205). One understands that carrying the burden of the "Enlightenment" is a heavy load, but it need not lead, in a favorite term of the author, to "asphyxiation" of critical judgment. There are alternatives to managerialism, mathematization, and positivism, and many scholars have been steadily working at them for careers that have endured. Perhaps they are not as well recognized as the stars of the Academy, but they are to be found in the liminal spaces, geographically and theoretically, in which knowledge is produced, if one surveys the field thoroughly.

It is often said that management theory as it is produced in business schools has lacked "impact," as various research and governmental bodies define it. Sadly, that is not the case: it has had a considerable impact globally, and much of it has been dismal, destructive, and decadent, cloaked in the swathes of managerialism. Both books under review establish this in their respective ways. Nonetheless, alternatives are possible, and if we are able to refurbish the discipline and its curriculum in time, in sufficient mass, globally, we might just avert the apocalyptic scenario of destruction pure and simple, rather than the creative destruction that we ordinarily teach.

Hope springs eternal, as Klikauer recognizes; nonetheless, it needs practice to sustain it. Locke and Spender's commitment to comparative analysis needs to be hitched to forms of phronetic inquiry, the chains of positivism sundered, and the abstract urgings of the neoclassicists exposed to realism and withered into irrelevance. In accord with an earlier observer of the human condition (Shakespeare, 1604), one may say that such a hope and practice is a consummation devoutly to be wished for a management science whose enterprise's currents, of great pitch and moment, have turned awry and lost the name of action.

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