

THE IMPACT OF MANAGERIALISM AND THE ROAD AHEAD: A VIEWPOINT

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“Have we come in the grip of managerialism” is a very timely and relevant article. It raises concerns on how management education has evolved in the twenty first century with a “one size fits all” approach and a “strictly functional perspective”. This is serious for every stakeholder of management education, be it the students or the faculty members or the industry or the society in general. Barker (2010) pointed out in his article that managers, unlike doctors or lawyers, are not professionals. In an endeavor to promote management as a profession, business schools have failed to produce socially responsible business leaders; much because the assumptions which form the basis to view management as a profession are inherently flawed. In the given article on Managerialism, the author quotes Drucker’s (1973) viewpoint on the terminology of management:

“a legitimate social practice and a position of status supported by institutional and social norms that gave managers the right to hire, fire, give orders, control and evaluate the performance of others in the interest of efficiency, productivity, profit or providing a service for the common good”

This quote clearly describes a very important element in management education which evolved and created a fallacy amongst managers that they understand the processes, and every process has to end up in the numbers related to profitability expected by the investors and promoters. This finally converted the highest paid managers into “hitmen” of sorts strategizing to kill the competition, which in turn gave birth to a very specific breed of managers working with very big names and killing economies and environment and fuelling social issues to make profits. The big names involved became aspirations of one and all and everything else, probably more significant in holistic terms, got lost somewhere. One of the ways in which these managers could be referred is - “economic hitmen” aptly described in the book “Confessions of an Economic Hitman” by Perkins (2004) that discusses his journey at a large consulting firm where his job was to convince political leaders of underdeveloped countries to accept huge loans for construction and engineering projects, that would eventually certainly be contracted to big American companies. As pointed out in the article, “the stage” where we have arrived and from where we must now decide the path ahead, management graduates run businesses

driven by purely economic goals, rather than social or environmental considerations. This can work in the short-run but not in the long-run.

The author pertinently describes- *“As things progressed, much of the work in Management Studies got involved in adopting a functionalist perspective with the aim of improving the efficiency and effectiveness of managers and their organizations, by identifying the rational techniques and ways of behaving that promoted these goals”*

This is also a critical problem in management education. The would-be managers, through an unsaid code of conduct, are presumed to be working in very specific domains of their practice. This has resulted in a similar bifurcation amongst the teaching fraternity as well. Stalwarts like Peter Drucker, Nasim Taleb, Daniel Kahneman, Sumantra Ghoshal, Srikant Datar, C.K. Prahalad, and Stuart Hart have always shown that teaching a specific subject does not restrict one's domain and the same should not happen in industry as well. However, functional division became sharper over the decades. It is not useful because real-life problems are not domain specific; the solutions always come to those with an in-depth understanding of different streams of knowledge and the inter-connectivity between the streams. Colson (2019) has beautifully described in his article that for an emerging stream like data science, generalists rather than specialists are required as the goal is to learn and develop new capabilities; specialization in fact increases coordination costs and waiting time.

There is a great deal of authenticity in the reference to black swan given by the author. In fact, there are many more black swans than people think. It's just a matter of acknowledging that black swans exist and happen because it's a human instinct differentiating oneself, things or marking occurrences as unique and whichever way uniqueness appears first before falling into normal distribution. But this art of acknowledgement has to be a part of managerial training whereas business schools have focussed a lot on modelling and predicting things, and once it goes beyond then saying that it's a black swan and let's write off everything to go back to the models which we brought out through much of deliberations. Unfortunately, we are unwilling to write off the models. Bennis and O'Toole (2005) rang a bell regarding the over-emphasis of business schools on “science” and “academic superiority.”

Practically, the problems of one organization would be different from the other. Uniformity, instead of creating solutions, will create more problems. Reductionism, optimization, taking clues from science randomly and trying to apply those to management decisions without even

thinking about the relevance of principles of physical sciences for managerial decision-making, losing the context of reasoning of management principles etc. are the elements which have compelled management studies and management practitioners to lose their credibility. This is the reason because of which in today's situation almost all the industry captains are waiting for this period to be over to be written off in books or are trying to use internet to somehow propel things. I have had discussions with not less than 500 industry representatives including IIT alumni and others at senior positions and largely, no one knows what to do. It's not that one is expected to be a magician but if somehow there would have been a thought process related to the existence of management education or skills or knowledge in relation to human development, then at least managers of today would have convinced their organizations not to write off humans and businesses but to write off spending in retaining human resource.

In such a scenario, organizations one and all would have come forward to initiate processes to contain this situation through alternative products, technological shifts, real time innovations using the same platforms for saving people. No single example at least in India could be found on managers and organizations getting innovative and doing something out of the box that is not charity, but makes business sense because it would have generated revenue, developed market, retained image and human resource and above all would have justified the business ethics lessons which must have been taught to them.

This article is highly relevant especially in today's scenario when students especially from top business schools have lost their future job options. It is important to tell them two things at this juncture. One, the companies they aspire to join will not care for them even at the time of joining leave aside later on and two, they were about to enter in to a managerialistic situation where because of the managerialism which they would practice, no one would care about anything except for profits. If they do not understand this, either they will become one of such practitioners or would someday be stuck up in a similar situation where writing off things would be the only option.

It's a great article and it strikes me that an entire series (Chakraborty, S., 2013, 2014, 2017 and 2018) of related articles published as a sequence would give very specific directions to the academic fraternity, especially for striving institutions it can be converted to a faculty development/sensitization program. This will go a long way in propelling business schools to move ahead from the stage where they are clutched in process and practices of managerialism.

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