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Managerialism: An Ideology and its Evolution

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The article focuses attention on managerialism from the point of view of its ideological status. It traces the rise of managerialism, the main contributors to theorising about the nature of managerialism, and the characteristics and appeals of an outstanding managerialist text. The article begins by outlining the major features of the economic and social context in the United States, the United Kingdom and other Western countries that have contributed to the rise in the intellectual and social standing of the concept of managerialism. The problem of establishing consensus on the definition of managerialism is noted, as is the difficulty of positioning it within the conventional left-right political spectrum. The nature of an influential variant of managerialism known as 'socially responsible' management is then explored.

Keywords: management, managerialism, managers, shareholders, postwar consensus, neoliberalism, trade unions

Introduction

This article focuses on managerialism in terms of its ideological status. It charts the rise of managerialism, the main contours of the field of theorising about the nature of managerialism, and the characteristics and appeals of a salient managerialist text. As discussed below, there is no generally accepted definition of managerialism, but as a working definition it can be said that managerialism is an ideology based on the belief that optimisation of the productivity and outcomes of all organisations can be achieved through the application of managerial expertise, theories and techniques; this applies to both private and public organisations. The article begins by outlining the main features of the economic and social context in the United States, Britain and other Western economies that have contributed to the rise in the intellectual and social influence of the concept of managerialism. It notes the extreme difficulty of establishing consensus on the definition of managerialism and on positioning it within the usual left-right political spectrum. This is partly because of the highly ideological nature of the concept itself. It is suggested that many of the key conceptual components of managerialism have a much longer historical genealogy than is usually recognised. The emergence and recent rise in public awareness of the discourse of 'socially responsible' management is also examined.

Analysing managerialism is of crucial importance because in the last twenty years this ideology has risen to a position of intellectual and social prominence, if not dominance, impacting decision making in both the private and public sectors, as well as social policy more broadly. The ideology of managerialism has been implemented and has had major impacts at both the macroeconomic level and at the level of the firm or public entity. For that reason, the analysis of managerialism is of importance for those working at both of those levels. It is argued that those operating in the fields of business or management, or in economic and political life more generally, need to become more aware and more critical of the ideology of managerialism and its variants.

Economic and Cultural Shifts

During the decades after the Second World War, for thirty years or so in fact, the major Western economies enjoyed a period of relative stability and consistent growth. As a result of the experience of the Great Depression, Western governments were committed to a proactive approach to maintaining full employment. The ruling economic orthodoxy was Keynesianism, and governments were willing to use aggregate demand management, mainly by means of fiscal policy, to regulate levels of economic activity. Trade unionism was relatively strong, certainly compared to the subsequent period. Business accepted both a fairly high level of government intervention in the economy, and the presence of unionism in workplaces and at the bargaining table. This was the basis of the so-called postwar 'consensus.' This postwar consensus led people to talk hopefully of the 'end of ideology' (Bell, 1962).

At the time, things were certainly not experienced as so harmonious and stable as this thumb-nail sketch implies. To some extent, this pacific picture of economic relationships is an outcome of retrospect, an artefact of subsequent experience, and is often tinged with nostalgia. Nevertheless, there is clear evidence that a social compact of this type existed. Business was generally accepting of some limited restraints imposed by government, acknowledging the role of government as Keynesian stabiliser of the economy and as a means of ameliorating some of the harsher results of the market economy. Acceptance of trade union activity was more qualified, and varied between countries, with the least favourable environment being the United States, where the Taft-Hartley Act of 1947 severely curbed the prospects of union militancy.

This all changed in the 1970s, launching a new era of rising instability and higher risk. In many recent studies the 1970s has been identified as the 'pivotal decade' (Davis, 2009; Stein, 2010; Rodgers, 2011; Krippner, 2011, Madrick, 2011). Most often pointed to as pivotal moments were the so-called 'oil shocks' of 1973 and 1979, when policies of the Organization of Petroleum Exporting Countries (OPEC), a cartel of oil-producing countries, suddenly raised the price of oil. In 1973 the Organization reacted to US and European support for Israel in the Yom Kippur War. The 1979 shock was associated with the Iranian revolution and the war between Iran and Iraq. The resulting price hikes sent shock waves through many Western economies. Inflation emerged as a pressing issue.

But there were other, more structural, problems that began to surface in the 1970s. By then, the postwar reconstruction of national economies in Europe, most notably West Germany, and in Asia, notably Japan, had succeeded to the extent that the products of the dominant Western countries, such as the United States, Britain and, to a lesser extent, Australia, were now facing stiffer international competition. In the relentless search for profits and low-cost venues, global capital ran over the borders of national economies. Globalisation and deindustrialisation became the hallmarks of the period. Manufacturing industries in particular now came under great pressure from other low-wage economies. In the early industrialised countries, the focus shifted from manufacturing to service industries, particularly finance, a process sometimes referred to as 'financialisation' (Krippner, 2011).

This is part of a long-term shift in the international balance of economic power, from dominance by the developed Western economies, towards the developing countries of Asia, Latin America and Africa. As this secular shift, together with the immediate shocks, worked their way through the Western economies, rates of profit began to fall, unemployment and underemployment rates gradually increased, pressure on government budgets became continuous. A new and unexpected phenomenon, stagflation (the combination of high unemployment together with high inflation) bewildered economists and policy makers. Such a combination was untheorised within the Keynesian paradigm. The buoyant economy of the 1960s was clearly at an end.

This was the context for the collapse of the previously established 'consensus.' The economic arena became markedly more conflictual. Struggling to maintain profits, at least domestically, businesses were no longer willing to countenance government regulation of their activities or, more broadly, an extensive role for government in the economy as a whole. Business also wished to clamp down on unions, which were fighting to maintain wage rates and jobs in the context of deindustrialisation and economic stagnation. By the end of the 1970s, the ideological conflict had become intense. Daniel Rodgers in *Age of Fracture* (2011) shows that the main themes of the succeeding decades were disaggregation and individualism. These decades were characterised by the rising ascendancy of neo-classical economics, monetarism, free markets, the New Right and libertarianism, all fostered by influential conservative think tanks. Margaret Thatcher came to power in Britain in 1979, Ronald Reagan in the United States in 1981, and Helmut Kohl in Germany in 1982, and they proceeded to put into effect a new economic dispensation involving the suppression of unions, rescinding of welfare provisions, privatisation of public enterprises, lower taxes for the wealthy, and deregulation of financial markets. The big losers in the process were trade unions, pressured simultaneously by governments, business and unfavourable economic conditions. This was, consequently, a period of increasing income and wealth disparities and rising poverty.

From the 1970s, significant shifts in power also took place within the corporate world. Many analysts have characterised this as a transition from the postwar business system of 'managerial capitalism' to that of 'shareholder capitalism' since the 1970s (Davis, 2009; Locke & Spender, 2011). The fifties and sixties are said to have been the heyday of managerial capitalism. Based on and helping to form the consensus of the period, company managers played a pivotal role mediating between a wide range of economic interests, including government, employees, customers, shareholders, communities, and so on. Managers had a cooperative relationship with proactive governments at all levels. The system provided well-paid and continuing employment for most people, as well as accompanying benefits, such as pensions and health insurance, giving people a sense of security. At a time when social institutions in general were strong, managers made corporations themselves into social institutions. This was an era of what has been called 'corporate statesmanship' (Mizruchi, 2013). The resulting arrangements were stable and reliable, the business culture ordered, based on control by a gentlemanly elite. The term used most often in the literature to describe this corporate system is 'socially responsible.'

Major problems set in during the 1970s, beginning with the impact of the first oil shock. As the rate of growth in Western economies began to decline and the consensus started to falter, the position of managers came under fire from investors and shareholders concerned about the falling rate of profit. Academic economists, particularly of the neo-classical persuasion, were also at the forefront of the attack on the position of managers. In 1976 Jensen and Meckling published their landmark study on the theory of the firm, managerial behaviour, agency costs and ownership structures. Based on theories of 'agency conflict,' managers were accused of seeking the easy life through sweet-heart relationships with workers and government, to the detriment of profits and stock values. Pro-management writers often fail to mention or minimise the fact that during this period corporate managers were increasingly compensated by means of shares and stock options, a way of overcoming the agency problem by bringing managers' interests into closer alignment with those of corporate owners. This change in patterns of remuneration became a powerful additional incentive for the rise of ‘shareholder capitalism.’ ‘Shareholder value’ became the mantra not only of shareholders and economists, but increasingly of corporate managers as well.

This system of ‘shareholder capitalism,’ which has reigned for forty years, has been, in comparison to the years of consensus, more volatile and insecure; the business culture it has created has become more competitive. Companies are said to have broken their relationships with both government and employees. In many cases, employees have lost their jobs or their previous working conditions in the context of automation, globalisation and deindustrialisation. Contemporary corporations are supposed to have lost connection with communities. In short, they have become less ‘socially responsible.’ It was within this broad economic and social context that the concept of managerialism and its analysis attained a level of social and intellectual salience that it had never previously enjoyed.

Managerialism: Being Definitive

Turning now to the question of definition, as for other ideas, ideologies or ‘isms,’ defining managerialism is difficult and fraught with contention. Very few of the major writers working in this field have given an explicit definition of managerialism. The notion that an uncontested definition is possible before entering the battlefield of ideas is a myth. Perhaps John Quiggin (2003) of the University of Queensland provides a useful and widely accepted starting point:

> The central doctrine of managerialism is that the differences between such organisations as, for example, a university and a motor-vehicle company, are less important than the similarities, and that the performance of all organisations can be optimised by the application of generic management skills and theory.

This definition, offered on Quiggin’s blog in 2003, has proved to be popular, if it cannot actually be said to have ‘gone viral,’ having now found its way into the published academic literature on the subject (Glow & Minahan, 2007, p. 5; MacRitchie, 2011, p. 57). In more concrete terms, and according to Quiggin, the implementation of managerialism is recognisable by a marked shift in the economic and power relations between senior managers and employees, especially professionals: ‘The main features of managerialist policy are incessant organisational restructuring, sharpening of incentives, and expansion in the number, power and remuneration of senior managers, with a corresponding downgrading of the role of skilled workers, and particularly of professionals’ (Quiggin, 2003).

Another definition is given by Robert Locke, who has written extensively on management and managerialism, a definition in which the emphasis is placed directly on political considerations (2009, p. 28):

> What occurs when a special group, called management, ensconces itself systematically in an organization and deprives owners and employees of the 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.

Clearly both of these definitions offered by Quiggin and Locke are programmatic definitions, closely intertwined with the arguments they wish to make about managerialism and the positions they adopt with respect to it. Often in this literature, analysts' evaluations of managerialism, their ideological commitments, drive their definitions and descriptions of it. As their various theories are outlined in the rest of the paper, the way in which they conceptualise managerialism will emerge from the discussion.

Right or Left; and How Far Back?

The politics of managerialism and its genealogy in terms of its antecedents in political philosophy are extremely mixed. For instance, within a historical perspective, situating managerialism on the left or right of the political spectrum proves to be even more difficult than establishing a definition. This section of the paper is devoted to canvassing the field of ideas about whether managerialism should be associated with the left or right of politics and, at the same time, to giving an indication of the historical longevity of some of these debates. The first thing to note is that there is no consensus whatsoever on locating managerialism within any spectrum of political ideologies.

In their comprehensive study of the impact of 'cultures of management' in Britain over a thirty-year period, Robert Protherough and John Pick examine the effects on the arts, education and religion, as well as on economic life. They conclude by discussing whether modern managerialism should be considered a political system, a means of exerting political control. Answering in the affirmative, they emphasise the resemblance to Marxism (Protherough & Pick, 2002, p. 202):

> It is perhaps Marxism that modern managerialism most nearly resembles. Like Marxism, it is capable of infiltrating and distorting the workings of many kinds of organisation. Like Marxism it works primarily by colonising and colouring everyday language. And like Marxism it

> asserts that all creation, imagination and cultivation stem from measurable material processes.

The resemblance consists, according to Protherough and Pick, mainly in their common commitment to materialism. Consequently, perhaps 'the closest comparison is with the glum orthodoxy which drove the Soviet bureaucrats' (2002, p. 201). After fifty years of Cold War polarisation, during which the USSR was entrenched in the West as national enemy No. 1, forging a mental link between managerialism and the evil empire was doubtlessly an effective rhetorical strategy for these critics of managerial culture. Conjuring up thoughts of Stalin's characterisation of artists as 'engineers of the soul,' Protherough and Pick cite the managers of Britain's 'creative industries' as promoting 'as mechanistic a view of cultural evolution as could be found anywhere in history' (2002, p. 202). Protherough and Pick do concede, however, that Karl Marx himself was not guilty of such crass materialism. Nevertheless, they definitely trace the forerunners of managerialism to the far left. There is indeed a longer tradition of associations between managerialism and the left, which can be traced back, through the utopian socialists such as Henri Saint-Simon and Auguste Comte, to the dawn of modern history with the French Revolution. That canonical conservative Edmund Burke memorably linked the spirit of the revolution to the predominance of 'sophisters, economists, and calculators.' The rise of these representatives of materialism and demystified rationalism, according to Burke, portended the eclipse of the age of 'chivalry' as the characteristic ideology of feudalism (Burke, 1864, pp. 515–516). In terms of the politics of the day, of course, the revolutionaries of France were representatives of the left.

On the other hand, linkages between managerialism and movements of the right have also been asserted. In the recent literature on managerialism, it is this link that is made most frequently. For example, in *Confronting Managerialism* (2011) Robert Locke and J.-C. Spender identify the source of managerialism, or at least its most recent forward impetus, variously as: neoclassical economics, University of Chicago economists, Hayek and his generation of neoliberal economists, finance economics, 'neoliberal market-driven capitalism' and 'aggressive neoliberalism' (pp. 14–17, p. 59, p. xvi, p. xviii, p. 143, p. 145). Similarly, according to Quiggin, managerialism is associated historically with 'the radical program of market-oriented reforms variously referred to as Thatcherism, economic rationalism and neoliberalism' (Quiggin, 2003). In the same vein, Richard Hil (2012) identifies the broader context for his study of the market-driven transformation of universities as a mixture of 'economic rationalism, commercialisation, managerialism, corporate governance and other outgrowths of neo-liberal ideology' (p. 10). Thus the origins of managerialism have often been sought on the political right, more specifically in a range of ideological positions associated with the New Right. However a longer historical trajectory can also be traced. There have been close links between managerialist approaches and both fascism and nazism, along with futurism and addiction to high tech (Baker, 2006). A century before that, the administrative reforms forcibly implemented in Prussia under king Frederick William III (1797–1840) can also be seen within the same tradition; these amounted to the creation of a police state, with close regulation of important areas of social relations including government, the economy, religion, education, culture, family and everyday conduct (Holborn, 1982, pp. 468–507).

There is also a lineage associating managerialism with totalitarianism in general, whether of the right, left, or centre. This idea was developed and widely disseminated in the work of James Burnham on *The Managerial Revolution* (1941). In the midst of the Second World War, Burnham predicted that the future would be neither capitalist nor socialist, but the dominance of an oligarchic group of experts he called the 'managers.' This group, rather than the owners of private property, would provide economic leadership. Society would not be democratic, but based on centralisation of control, centred on economic planning rather than the free market. Those exerting effective control over the means of production would be a managerial class of business executives, bureaucrats and social engineers, assisted by technicians and scientists. The power of the previous ruling class of capitalists would be toppled, and the working class would be cowed and exploited, reduced to serfdom. The managerial society would be strictly hierarchical, with the ruling managerial elite oppressing a mass of downtrodden workers. It would be a society of strict binaries: 'the powerful and the weak, the privileged and the oppressed, the rulers and the ruled' (p. 138). Burnham believed that managerialism had reached its fullest development in the USSR, ostensibly under socialism, but was almost equally well developed in Germany under nazism and Italy under fascism, and was in the process of entrenching itself in the United States under capitalism, especially with the New Deal and war economy, and that the trend was, in fact, universal.

Placing this war-time study within a wider context, Burnham's analysis was strongly influenced by that of Hilaire Belloc in *The Servile State* (1912). Belloc argued that the unsustainable evil of capitalism, together with its resultant collectivist reformism, would produce a third way: what he called a servile state in which the majority of people would be legally bound to labour for the benefit of the few. A somewhat similar theory was developed around the same time by the rather eccentric but often prescient American economist Thorstein Veblen, who foresaw a revolution by engineers and technicians, and the replacement of business owners and managers by a specially trained technocratic class that undertook economic planning

(Pena, 2001, pp. 1–27). George Orwell reviewed Burnham's book at length and on the whole approvingly, and it seems clear that Burnham's ideas influenced Orwell's thinking on the probable contours of the dystopia of the future, which bore fruit in *Animal Farm* (1945) and *1984* (1949). Despite his startlingly abysmal record in making international geo-political predictions, Burnham has continued to be influential in the broad field of studies of managerialist social organisation. Since its publication, *The Managerial Revolution* has been regarded as a seminal text in the field, and has indeed experienced a marked resurgence of interest in the last two decades (Borgognone, 1999, 2000; Pena, 2001; Kelly, 2002).

In view of the complete lack of consensus regarding the ideological affiliations of managerialism, it is not surprising that it has been suggested that managerialism has developed as a sort of grab-bag of ideological inputs, a confluence of various – sometimes incompatible – ideological streams. Thus, Christopher Hutton has described it as a 'black hole of ideology, sucking in and neutralizing all mainstream socio-political philosophies.' Among other things, he contends, it has swallowed up both 'Thatcherism and 1968' (Hutton, 2012, p. 362).

A growing perception that it is fruitless to try to trace the confused ideological affinities of managerialism has also prompted the thought that it is in fact an ideology in itself, *sui generis.* In his 1993 analysis of managerialism as a totally new and distinct ideology, Willard Enteman contends that a new ideology emerged in advanced industrialised societies in the second half of the twentieth century, growing out of pragmatic decision making by 'practical people' faced with making choices and taking action. He warns that it is possible to be distracted from an understanding of the emerging reality by thinking that the ideological principles that guide managers' decision making are 'capitalist or socialist, democratic or totalitarian, or some combination' (1993, p. 153). Enteman argues instead that managerialism, considered as a separate ideology in its own right, provides 'a more useful clinical description of what is occurring in advanced industrialized societies than any existing alternative ideologies offer, including capitalism, socialism, and democracy' (p. 154). Enteman does not provide a definition as such, but gives a basic description of a managerialist society as one in which the fundamental social unit is neither the individual nor the state, but the organisation. For managerialism, the individual and the state are merely empty abstractions. Managerialism denies that the fundamental nature of society is an aggregation of individuals. Social decision making arises from the transactions that take place between managements of organisations. Managerialism is an ideology created by managers. Certainly it is not democratic; a managerialist society does not respond to 'the needs, desires, and wishes of a majority of its citizens' (p. 154). Enteman is not a defender of managerialism, for which he ‘cannot find sufficient moral warrant’ (p. 154). He contends that the justification for the new ideology is currently very weak, partly because it evolved in a context of the breakdown of the previous ruling ideologies of capitalism, socialism and democracy, and as yet intellectuals have not developed any persuasive justification for it (p. 192).

The Discourse of ‘Socially Responsible’ Management

Although Enteman remains dubious about the intellectual and moral rationale for managerialism, recent economic developments on the global scale have given rise to an ethical discourse of so-called ‘socially responsible’ management. This discourse has come to the fore as a result of the financial and economic crisis that brought the global economic system to the brink of collapse in 2008. The crisis called attention to deeply entrenched inefficiency and dishonesty at the highest levels of the managerial elite in the financial sector. Disillusionment and discontent with the social and economic power of managers was expressed not only on the left of the political spectrum, but also in groupings on the right, such as the far-right populist Tea Party movement in the United States. Even Alan Greenspan, who chaired the US Federal Reserve from 1987 to 2006, admitted that he had made a mistake in trusting that concern for their reputations would constrain the managers of banks and other institutions from practising fraud and deception. This new atmosphere of public outrage and contempt generated popular and political pressure to curb the power of the top managers and to reduce their, often gross, levels of financial remuneration. This was, to put it simply, a crisis of legitimation for the managerial class.

But the Global Financial Crisis (GFC) and the ensuing Great Recession were only the last in a long series of corporate collapses and scandals. For instance, the previous decade or so saw the collapse of Enron, WorldCom, Arthur Andersen, AIG, Lehman Brothers, Bear Stearns and Merrill Lynch in the United States; of the Royal Bank of Scotland, Northern Rock, Lloyds, and Anglo Irish Bank in Britain; and, for example, of HIH, FAI, Storm Financial, and ABC Learning in Australia. Widely publicised throughout the Western world, including the United States, Europe, Australia and New Zealand, have been high profile cases of corporate scandal and questionable business ethics, giving rise to public contempt for management in general. In the wake of the GFC (2007–), following upon the dot.com collapse in 2000–2001 and the Enron debacle in 2002, there has been a widespread sense that there are grave problems with corporate management, especially in the United States. In other words, an intense quest for legitimacy on the part of the business community is of long standing and has been ongoing for more than a decade.

In his incisive analysis of the causes and significance of the Global Financial Crisis, *Freefall* (2010), Joseph Stiglitz sardonically suggests that those who prospered under the pre-GFC regime of deregulated markets and lax supervision would tend to minimise the significance of the crash and would recommend fairly superficial ways of responding to it: rescue the banks and bankers, tweak the regulations, tell the regulators to be a bit more vigilant and – significantly for this study – 'add a few more business school courses on ethics' (p. xiv). It is in this context that the influential discourse of 'socially responsible' management has risen to prominence.

There are many competing definitions of 'socially responsible' management. As regards the private sector, it is often discussed under the rubric of Corporate Social Responsibility (frequently abbreviated to CSR). A widely accepted definition was given by Richard Holme and Phil Watts, for example, in *Making Good Business Sense* (2000), published by the World Business Council for Sustainable Development: 'the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large' (p. 8). Behind such anodyne terminology, it is important to recognise the claims this discourse makes on behalf of the interests of managers. It is this development that James Burnham, Hilaire Belloc, Willard Enteman and other theorists warned about.

It would be easy enough to dismiss management literature as a whole as a 'glorified form of public relations' (Frank, 2010, p. 221). However, to gain an insight into the type of thinking that informs the culture of managerialism and socially responsible management, in this paper a salient book will be considered in detail: *Confronting Managerialism: How the Business Elite and Their Schools Threw Our Lives Out of Balance* (2011) by Robert R. Locke & J.-C. Spender. It would be easy for some in the academic community to dismiss the cultural productions emanating from business schools and so-called management 'gurus' as simplistic, emotive, biased, even out of touch with reality. But that would be a mistake if we wish to comprehend the wide appeal of these texts, as evidenced for instance in the serried masses of them on the shelves of major book stores, and the influence they exert on political and economic decision-making in society as a whole. To understand that influence, we need to begin by reading the texts attentively and taking their contents seriously. Paying close attention to the actual statements made in these texts will allow us to gain insights into their potent mixture of idealism and disillusionment, egalitarianism and elitism, radicalism and conservatism.

Placing themselves firmly within the field of 'socially responsible' management, Robert Locke and J.-C. Spender are management consultants and former deans of business schools. In *Confronting Managerialism* (2011), they advocate the reform of managerialism from within, to make it more humane, as well as more productive. Their subtitle, *How the Business Elite and Their Schools Threw Our Lives out of Balance,* is an admission that something serious has gone wrong in the field of management, and an indication of where they see the rot.

Locke and Spender's argument operates on a binary logic: on the basis of a distinction between managerialism (bad) and management (good). From this it follows that two types of managers are conceivable: Good Managers and Bad Managers (my terms, not theirs). They describe the adherents of managerialism as a 'caste,' with implications that they are an exclusivist elite with pretensions to superiority over others. The picture on the front of my paperback edition of their book shows a male figure in a dominating pose, wide-shouldered, power-dressed, smoking a cigar, with a 50s haircut, a blank face, and with dollar signs for his eyes. This is presumably the repellent figure of a Bad Manager, a follower of the cult of managerialism. This extreme caricature emphasises the reductive nature of the dualistic logic their argument employs.

In the preface, the authors deny that they want to evoke an image of an earlier Golden Age of 'socially responsible' management, and to an extent they do avoid this, mainly because of their imprecise and shifting chronology of the emergence of managerialism. Nevertheless, the argument does depend on the impression they create of the halcyon days of management in the 1950s and 1960s, especially in the United States, when management (Locke and Spender, 2011, p. 82)

> [...] did not consider itself, nor was it considered postwar, a bunch of unprincipled ruffians. Definitions of managerialism usually pointed out at the time that managers, although their fiduciary duty was to stockholders, had the moral duty to look after the well-being of other stakeholders in the firm and to be good corporate citizens. The post-1945 version of managerialism, moreover, cobbled together elements of a partnership between the management caste, big labor, and government first hammered out during the New Deal and World War Two.

According to Locke and Spender, these principled managers of the 1950s and 1960s were capable of reconciling, from Olympian heights, the conflicting interests of capitalist investors, workers and unions, government, and presumably their own, thus ensuring peace and prosperity on the battlefields of business. The outcomes, according to the authors, were particularly attractive for employees, promoting amicable relations between management and workers and indeed an extension of democracy in industry: 'Heralded collective bargaining agreements provided for better wages and working conditions; they introduced company retirement plans, medical plans, and other social benefits' (p. 82).

In essence *Confronting Managerialism* represents another manoeuvre in the historic battle between owners (including entrepreneurs and shareholders) and managers. By its critique of the functioning of business schools in the United States and its recommendations for reform, *Confronting Managerialism* also stakes a claim within the multi-billion dollar management education industry (worth over 900 billion dollars in the US). Conflict between managers and owners, referred to by economists as 'agency conflict,' is addressed by Locke and Spender (p. 140) as follows:

> This conflict arose after 1980 because the management caste increasingly lived under the tyranny of stock market valuations and the demands of institutional investors. To satisfy the latter's preoccupation with the price of a company's stock, corporate management tended to the bottom line, that is, it shored up short-term profits so that stock market analysts' expectations would be met and its company's stock price would benefit accordingly [. . .] If, however, the high stock valuations were achieved at the firm's expense, conflict between professional management and the firm as an entity exists, even though there is little conflict between management and its institutional stockholders.

Here Locke and Spender (2011) assert a claim on the part of managers to know better than owners what is good for the firm, and to be given latitude and discretion in their decision-making without having to endure the 'tyranny' of the market. Indeed the authors identify the opposition, the enemy, the source of all the problems variously as: neoclassical economics (pp. 14-17, p. 59), University of Chicago economists (p. xvi), Hayek and his generation of neoliberal economists (p. xviii), finance economics, 'neoliberal market-driven capitalism' (p. 143) and 'aggressive neoliberalism' (p. 145). Thus in *Confronting Managerialism* Locke and Spender stake out a claim on the part of managers to the economic rents – presumably sizeable considering the intensity of the conflict being waged over them – generated by capitalist economic activity. Like Plato's guardian caste, Good Managers are supposed to be capable of mediating sagely among competing interests – such as shareholders, workers, unions, environmentalists, consumers, local communities, government, and managers – to strike a just balance among the rival claims of the warring elements of contemporary economic and political life. To do this, like Plato's guardians, they are supposed to require a special education to fit them for social leadership and equip them to make 'socially responsible' moral judgments. Courses in 'socially responsible' management at business schools would do this, affirm Locke and Spender. This argument is consistent with the recent trend to what Slavoj Zizek has called, a little crazily, 'liberal communism,' which consists of attempts by such heroes of capitalist enterprise as George Soros and Bill Gates to give capitalism a more humane face. This would be the face of Locke and Spender's Good Manager after having received training in 'socially responsible' management, presumably at their approved business schools.

Locke and Spender's positive recommendations are briefly set out in their conclusion. To counter the effects of managerialism in producing 'bad management,' they recommend reform in the governance of companies to strengthen the position of managers. This is partly intended to protect the firm from marauding outside predators. Internally, Locke and Spender also want the position of management to be reinforced in order to protect the firm from the power of shareholders and investors. In particular, they refer approvingly to the statement on German Generally Accepted Management Principles, which allows managing directors of a company to carry out a 'protective function' that stops shareholders from making 'exaggerated demands' on the firm (p. 186). Although couched in the ethical terms of 'socially responsible' management, Locke and Spender's book consistently asserts the claims and interests, both political and economic, of managers as a group. Their approach could therefore be expected to be very appealing to managers and potential managers. On the surface, the binary logic they use divorces 'socially responsible' management from managerialism, attempting to put as much distance as possible between their position and the corporate scandals of the recent past. But their argument actually asserts the claims of managers more forcefully than ever before, in a new, more nuanced variant of managerialism presented in a more sophisticated register.

Conclusion

By charting the major economic developments of the latter half of the twentieth century, it has been shown that the 1970s represented a pivotal turning point in many Western economies, giving rise to new forms of economic behaviour and to the emergence into prominence of something known as 'managerialism.' Probing into the definition of managerialism, it was found that it was difficult to find any consensus on the meaning of the term. Locating it within a left-to-right political spectrum proved equally difficult. It was suggested that many of the key components of the concept of managerialism have a much longer historical genealogy than many assume. The recent emergence of an influential variant on managerialism called 'socially responsible' management was discussed.

This paper has also offered an analysis of an influential text produced by prominent management 'gurus,' a text that I would place within the broad stream of managerialist literature, but putting forward the more nuanced arguments of 'socially responsible' managerialism. The aim was to begin to comprehend the appeal of such texts and the influence they exert both on the behaviour of those who read them, including managers as well as management educators, and on the creation and maintenance of broader political and social ideologies. Unpicking the rhetoric of managerialism and management literature allows us to gain some perspective on their claims, which in turn encourages the questioning of their normative prescriptions and the sources of authority to which they appeal. Even though such texts often appear to be unsophisticated and even anti-intellectual in tone, cultural researchers should take the words of management theorists seriously, should engage with and critique their assertions, thus opening them up to challenge and exposing them to democratic debate.

One of the most important implications of this study is to draw attention to the way that managerialism, including the ideas of 'socially responsible' management, seeks to protect and advance the interests of managers as a group. It is important to open up the claims they make on behalf of the interests of management to open intellectual enquiry and democratic debate. Many of the theorists whose works have been canvassed here have made significant contributions to uncovering the assumptions and rhetorical strategies used to further those interests. For those engaged in the fields of business and administration, and in economic and political life more generally, it is essential to be aware of other often competing interests, whether those of employees and unions, investors, owners, clients, financial institutions, local communities or government bodies. In terms of pointing out possible directions for future research, there is an urgent need to develop a critical theory of managerialism, or at least the application of critical theoretic concepts to managerialism and the discourse of 'socially responsible' management. This article is offered as a step in that direction.

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