

The Essential

# MBA

Edited by **SUSAN MILLER**



The Essential

**MBA**

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# MBA

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First published 2011

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SAGE Publications Ltd  
1 Oliver's Yard  
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London EC1Y 1SP

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2455 Teller Road  
Thousand Oaks, California 91320

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B 1/I 1 Mohan Cooperative Industrial Area  
Mathura Road  
New Delhi 110 044

SAGE Publications Asia-Pacific Pte Ltd  
33 Pekin Street #02-01  
Far East Square  
Singapore 048763

**Library of Congress Control Number: 2010943243**

**British Library Cataloguing in Publication data**

A catalogue record for this book is available from the British Library

ISBN 978-1-84787-060-5  
ISBN 978-1-84787-061-2 (pbk)

Typeset by C&M Digitals (P) Ltd, Chennai, India  
Printed by MPG Books Group, Bodmin, Cornwall  
Printed on paper from sustainable resources



# Dedication

This book is dedicated to the memory of my parents, and to John whose constant love and support have meant more than words can say.



# Summary of Contents

|   |            |
|---|------------|
| <i>About the Author</i>   | xvi        |
| <i>Notes on Contributors</i>  | xvii       |
| <i>Acknowledgements</i>   | xix        |
| <i>Guided Tour</i>  | xx         |
| <br>  |            |
| <b>1 Introduction and Overview</b>  | <b>1</b>   |
| Susan Miller, Hull University Business School   |            |
| <b>2 Organizational Behaviour</b>   | <b>17</b>  |
| Susan Miller, Hull University Business School   |            |
| <b>3 Human Resource Management</b>  | <b>59</b>  |
| Peter Hamilton, Durham Business School, University of Durham  |            |
| <b>4 Marketing</b>  | <b>81</b>  |
| Dr. Dianne Dean, Hull University Business School  |            |
| <b>5 Accounting and Finance</b>   | <b>107</b> |
| Tony Boczko, Hull University Business School  |            |
| <b>6 Economics</b>  | <b>144</b> |
| Professor Tony Cockerill, University of Cambridge   |            |
| <b>7 Operations Management</b>  | <b>185</b> |
| Dr. Christos-Dimitris Tsinopoulos, Durham University Business School,<br>University of Durham, and Dr. Emmanuel Adamides, University<br>of Patras, Greece |            |
| <b>8 Corporate Social Responsibility</b>  | <b>219</b> |
| Dr. Timothy Campbell, University of Dubai   |            |
| <b>9 Strategy</b>   | <b>246</b> |
| Susan Miller, Hull University Business School   |            |
| <b>10 Research Approaches</b>   | <b>283</b> |
| Susan Miller, Hull University Business School   |            |
| <b>11 Study Skills</b>  | <b>313</b> |
| Susan Miller, Hull University Business School   |            |
| <br>  |            |
| <i>Index</i>  | <b>341</b> |



# Contents

|   |           |
|---|-----------|
| <i>About the Author</i>   | xvi       |
| <i>Notes on Contributors</i>  | xvii      |
| <i>Acknowledgements</i>   | xix       |
| <i>Guided Tour</i>  | xx        |
| <b>1 Introduction and Overview</b>  | <b>1</b>  |
| Purpose of <i>The Essential MBA</i>   | 1         |
| How to use this book  | 2         |
| What is 'a critical approach'?  | 4         |
| Critical perspectives in management   | 6         |
| Power   | 7         |
| Gender and diversity  | 10        |
| The nature of managerial knowledge  | 12        |
| Management education  | 13        |
| Outline of the book   | 14        |
| Summary   | 15        |
| Further reading   | 16        |
| References  | 16        |
| <b>2 Organizational Behaviour</b>   | <b>17</b> |
| Introduction  | 17        |
| The domain of OB  | 17        |
| Work organizations and OB: a condensed history                                      | 19        |
| Critical approaches to OB   | 20        |
| Organizations and their environments: national culture and organizational structure | 21        |
| National culture  | 21        |
| Organizational structure  | 22        |
| Critiquing work on organizational structure   | 28        |
| Organizational processes: managing and being managed                                | 29        |
| Management and leadership   | 29        |
| Organizational culture and managing change  | 33        |
| Decision making and power   | 37        |

|  |           |
|--|-----------|
| Emotions and humour  | 40        |
| Groups and teams in organizations  | 42        |
| Group formation and group dynamics   | 43        |
| Work groups and organizational performance: Japanization,<br>knowledge management and learning | 44        |
| The individual in the organization   | 46        |
| Motivation at work   | 46        |
| Perception   | 49        |
| Personality  | 51        |
| Summary  | 54        |
| Questions for reflection   | 54        |
| Further reading  | 55        |
| References   | 57        |
| <br>   |           |
| <b>3 Human Resource Management</b>   | <b>59</b> |
| The importance of human resource management  | 60        |
| What is HRM?   | 61        |
| The development of HRM in the UK   | 62        |
| Personnel management and HRM   | 63        |
| HRM and organizational performance   | 65        |
| The best-practice approach   | 66        |
| The best-fit approach  | 67        |
| The employment relationship  | 69        |
| Perspectives on the employment relationship  | 69        |
| Understanding the employment relationship  | 71        |
| Critical perspectives on HRM   | 75        |
| Summary  | 77        |
| Questions for reflection   | 77        |
| Further reading  | 78        |
| References   | 78        |
| <br>   |           |
| <b>4 Marketing</b>   | <b>81</b> |
| Marketing concept  | 82        |
| Marketing philosophy   | 82        |
| Customer needs   | 82        |
| Marketing as exchange  | 84        |
| Exchange and the consumer  | 84        |
| Segmentation, targeting and positioning  | 90        |
| Positioning  | 91        |
| The marketing mix  | 92        |
| Product  | 93        |
| Price  | 94        |
| Promotion  | 95        |
| Place  | 96        |

|   |            |
|---|------------|
| Relationship marketing                              | 100        |
| Summary   | 101        |
| Questions for reflection                            | 102        |
| Further reading                                     | 103        |
| References  | 103        |
| <b>5 Accounting and Finance</b>                     | <b>107</b> |
| Financial accounting                                | 108        |
| Measurement of wealth                               | 109        |
| Evaluation of performance                           | 114        |
| Management accounting                               | 118        |
| Product costing                                     | 119        |
| Cost-volume-profit-analysis and break-even analysis | 123        |
| Financial planning and control                      | 125        |
| Financial management                                | 125        |
| Time-based valuation – present value theory         | 126        |
| Gearing (or leverage) management                    | 132        |
| Risk assessment                                     | 133        |
| Management of working capital                       | 134        |
| Summary   | 137        |
| Questions for reflection                            | 137        |
| Further reading                                     | 138        |
| Notes   | 138        |
| References  | 143        |
| <b>6 Economics</b>                                  | <b>144</b> |
| The scope and purpose of the chapter                | 144        |
| The individual                                      | 146        |
| Scarcity and choice                                 | 146        |
| Rationality   | 147        |
| Utility: the individual as consumer                 | 148        |
| Utility: the individual as supplier                 | 151        |
| Demand  | 152        |
| The organization                                    | 154        |
| Revenue   | 154        |
| The production function                             | 155        |
| Costs   | 158        |
| Pareto efficiency                                   | 161        |
| Markets and strategies                              | 163        |
| The profit-maximizing firm                          | 163        |
| Perfect competition                                 | 164        |
| Monopoly  | 166        |
| Oligopoly   | 167        |
| Game theory   | 170        |

|   |            |
|---|------------|
| Networks  | 173        |
| Missing markets                                   | 174        |
| The organization's external environment           | 175        |
| Economic growth                                   | 176        |
| Macroeconomic policies                            | 178        |
| Summary   | 181        |
| Questions for reflection                          | 182        |
| Further reading                                   | 183        |
| Notes   | 183        |
| References  | 184        |
| <b>7 Operations Management</b>                    | <b>185</b> |
| The importance of managing operations             | 186        |
| What is operations management?                    | 187        |
| A historical development of operations management | 188        |
| Difference between products and services          | 189        |
| Intangibility of services                         | 190        |
| Customer involvement                              | 191        |
| Timing of production and consumption              | 191        |
| The development of operations strategy            | 192        |
| Operations strategy perspectives                  | 193        |
| Performance objectives                            | 195        |
| Quality   | 195        |
| Flexibility                                       | 196        |
| Speed   | 196        |
| Cost  | 197        |
| Product and service development                   | 197        |
| Idea generation                                   | 199        |
| Initial screening                                 | 199        |
| Development                                       | 199        |
| Product testing and further development           | 200        |
| Ramp up to full production and product launch     | 200        |
| New product development process criticisms        | 200        |
| Process design                                    | 201        |
| Types of processes                                | 201        |
| Process layout and flow                           | 202        |
| Planning and control                              | 202        |
| Capacity management                               | 203        |
| Example of queuing models                         | 203        |
| Inventory management                              | 204        |
| Determination of order quantity                   | 205        |
| Push systems                                      | 206        |
| Pull systems                                      | 207        |
| Choosing between the two systems                  | 209        |
| Push and pull systems in services                 | 209        |

|  |            |
|--|------------|
| Quality management and improvement                 | 209        |
| Quality as excellence                              | 210        |
| Quality as fit for purpose                         | 210        |
| Quality as an error free process                   | 210        |
| Quality determined by perceptions and expectations | 211        |
| Quality management systems                         | 211        |
| Supply chain management                            | 212        |
| The dynamics of a supply chain                     | 213        |
| Sourcing   | 213        |
| Supply chain management criticisms                 | 214        |
| A critical perspective on operations               | 214        |
| Summary  | 216        |
| Questions for reflection                           | 216        |
| Further reading                                    | 217        |
| References   | 217        |
| <b>8 Corporate Social Responsibility (CSR)</b>     | <b>219</b> |
| Defining CSR                                       | 220        |
| The history and development of CSR                 | 221        |
| The state of CSR teaching and academic research    | 224        |
| The arguments for CSR                              | 226        |
| The business case for CSR                          | 227        |
| Moral and pragmatic arguments                      | 230        |
| The arguments against CSR                          | 231        |
| Business ethics                                    | 232        |
| Managing CSR                                       | 234        |
| Identifying and engaging with stakeholder groups   | 234        |
| Codes of ethical conduct                           | 238        |
| Employee induction and training                    | 238        |
| Social accounting                                  | 239        |
| Environmental issues                               | 240        |
| The future of CSR                                  | 240        |
| Questions for reflection                           | 242        |
| Further reading                                    | 242        |
| Notes  | 243        |
| References   | 243        |
| <b>9 Strategy</b>                                  | <b>246</b> |
| What is strategy?                                  | 247        |
| Traditional views                                  | 248        |
| Analyzing the competitive (external) environment   | 250        |
| Analyzing internal resources and capabilities      | 255        |
| Strategic choices                                  | 260        |
| Realizing strategic choices                        | 266        |
| Managing strategic change                          | 269        |

|   |            |
|---|------------|
| Critiques of traditional approaches and some alternative perspectives | 270        |
| Critiques   | 270        |
| Alternative perspectives  | 273        |
| Summary   | 279        |
| Questions for reflection  | 279        |
| Further reading   | 280        |
| References  | 280        |
| <b>10 Research Approaches</b>   | <b>283</b> |
| What is a dissertation?   | 284        |
| The purpose of a dissertation   | 285        |
| What it is not  | 285        |
| How is it likely to be assessed?                                      | 286        |
| How to fail   | 286        |
| Elements of a dissertation  | 287        |
| Choosing a topic  | 289        |
| Significance  | 292        |
| Is the research feasible?   | 292        |
| Is it manageable in the time available?                               | 293        |
| Symmetry  | 293        |
| Research aims and objectives  | 294        |
| The literature chapter  | 294        |
| Literature search   | 294        |
| Keeping records   | 295        |
| Critical analysis and synthesis                                       | 295        |
| Conceptual frameworks, theory and constructs                          | 296        |
| Designing and carrying out the research: methodologies and methods    | 299        |
| Methodological approaches   | 299        |
| Traditional and more critical research paradigms                      | 303        |
| Methods   | 304        |
| Validity, reliability and generalization                              | 309        |
| Ethical issues  | 309        |
| Findings, recommendations and conclusions                             | 310        |
| Writing up  | 310        |
| Questions for reflection  | 312        |
| Further reading   | 312        |
| References  | 312        |
| <b>11 Study Skills</b>  | <b>313</b> |
| Learning independently: being reflective and reflexive                | 314        |
| Getting started   | 315        |
| Information searching   | 316        |
| Sources   | 316        |
| Searching   | 318        |

|                                      |     |
|--------------------------------------|-----|
| Reading and taking notes             | 319 |
| Taking notes                         | 320 |
| Referencing                          | 322 |
| Writing skills                       | 325 |
| The report                           | 325 |
| The essay                            | 325 |
| Tips to enhance your writing skills  | 326 |
| Getting and using feedback           | 327 |
| Taking examinations                  | 328 |
| Preparation and revision             | 328 |
| During the examination               | 331 |
| After the examination                | 332 |
| Time management                      | 332 |
| Making presentations                 | 334 |
| What is the brief?                   | 335 |
| Who is the audience?                 | 335 |
| How long have you got?               | 335 |
| Planning the presentation            | 336 |
| Rehearsing                           | 336 |
| Performing the presentation          | 337 |
| Working in groups                    | 337 |
| Virtual learning environments (VLEs) | 339 |
| Summary                              | 340 |
| Questions for reflection             | 340 |
| Further reading                      | 340 |
| <i>Index</i>                         | 341 |

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**Susan Miller** is Professor of Organizational Behaviour at Hull University Business School in the UK where she is also Academic Director of the MBA programmes. Prior to this she worked at Durham University where she was Director of the Part-time MBA programme. She has wide experience of designing MBA programmes and teaching MBA students both in the UK and internationally, including Bahrain, Hong Kong, Singapore, Oman, Barbados and the Netherlands. She is involved in the Association of MBAs which accredits MBA programmes worldwide.

Besides a long-standing interest in issues associated with management learning and education, her other research focus has centred on strategic decision making in organizations. This research has examined how major decisions are taken and implemented in organizational settings and she has published widely in this area.

She held a position of non-executive Director of a large public health organization for four years and, prior to becoming an academic, she worked in both manufacturing and service organizations in the private and public sectors for nine years.

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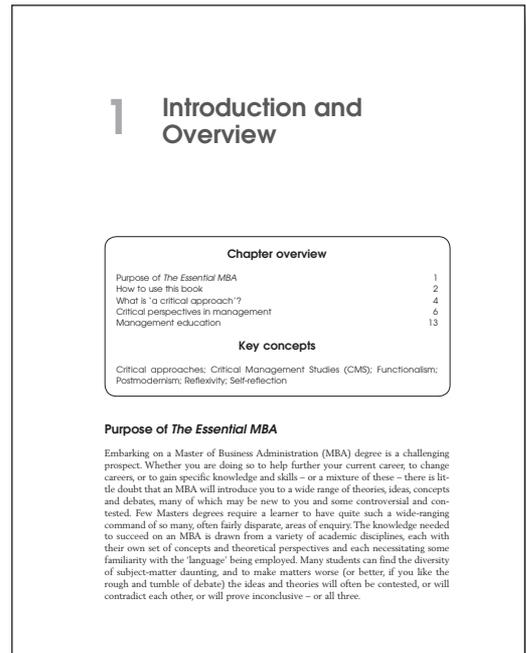
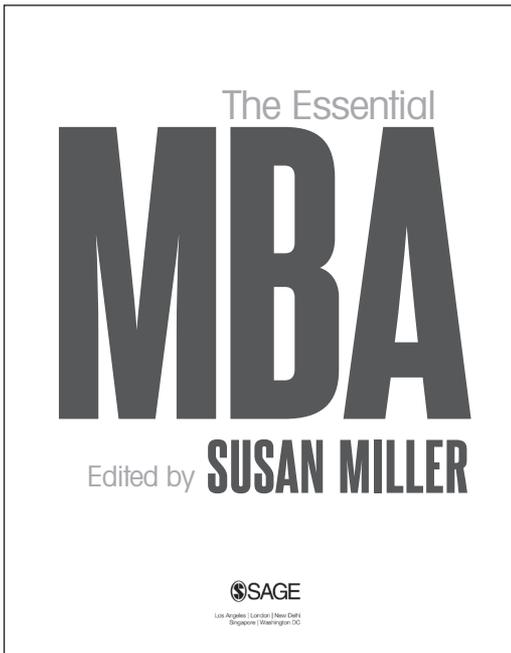
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# Acknowledgements

I would like to acknowledge the help and contribution of my fellow authors and the publishing team at SAGE who have been unfailingly supportive of this endeavour.

# Guided Tour

Welcome to the guided tour of *The Essential MBA*. This tour will take you through the main sections and special features in the text.



**Chapter overview and Key concepts:** A brief chapter overview and list of key concepts will help you to navigate your way through each chapter.

**Case illustration**

The British born editor of this book found her Malaysian PhD students expressed great reluctance to call her by her first name, even when asked to do so. The much higher power distance in Malaysia made it seem disrespectful to be on first-name terms with someone who was ostensibly in a superior position, even though the 'students' were themselves senior professionals. Thus those from a lower power-distance culture may make others uncomfortable by attempting to play down perceived status differences.

These dimensions have been utilized and modified by many other researchers, perhaps most notably in the GLOBE (Global Leadership and Organizational Behaviour Effectiveness) project, a longitudinal study of leadership and organizational culture in 62 countries (House et al., 2004) which identified some additional dimensions including *assertiveness* (the degree to which individuals are encouraged to be tough, aggressive and confrontational), *performance orientation* (the degree to which members of a society are rewarded for performance improvement and excellence), and *humane orientation* (the degree to which society encourages people to be fair, altruistic, generous, caring and kind to others). These researchers also used two collectivism dimensions: *institutional collectivism*, referring to how far the society encourages the collective distribution of resources and collective action and believes that individuals have collective duties and obligations that outweigh personal concerns (Waldman et al., 2006), and *in-group collectivism*, referring to the degree to which individuals express pride and loyalty in their membership of organizations and families or particular groups in society.

Finally the work of Trompenaars and Hampden-Turner (2006) will be mentioned briefly. Their research and consultancy with managers and companies on cross-cultural issues has led them to distinguish seven features of cross-cultural differences, summarized in Table 2.4.

These studies on cross-cultural differences have ramifications for many other areas of OB, most obviously leadership and organizational (rather than national) culture, and we will return to some of these themes again. However, this kind of work is not without controversy. It can be argued that it simply replaces some well-worn stereotypical characterizations that different societies have about each other with some rather more sophisticated, but nonetheless caricature portraits, where the methodology employed means that while the findings may indicate some general features of a society as a whole, they do not necessarily pertain to any one individual to that society.

**Organizational structure**

Turning to the organization itself, early research soon established a link between the environment in which a firm operated and the firm's structural arrangements. It

**Business Process Reengineering** is a radical redesign of the core organizational processes by focusing on activities that add value to the customer and removing duplication and non value-adding activities in order to speed up cycle times and improve efficiency.

**Era 3: Networking, hollow, modular and virtual organizations**

BPR develops the idea of networking individuals within an organization in order to share knowledge and resources. This is at the heart of network organizations, that is, groups of organizations which are linked together in order to manage co-production and create new capabilities. While there have always been linkages between organizations in the form of strategic alliances and joint ventures, some have argued that in order to cope with increasingly uncertain and complex environments and the challenges of globalization, we are now witnessing a new form of organization. This is the 'network form', where parts of many different organizations and institutions – such as other competitors, customers, research and development organizations and government departments – all work closely together to deliver joint goals. This enhances flexibility and learning and can be highly advantageous, especially in fast moving, unpredictable environments, but it also requires trust, reciprocity, and a clear understanding of, and commitment to, joint goals. It is argued that network organizations bring challenges in terms of their management, as traditional hierarchical arrangements are replaced by looser structures where power and authority are less clearly demarcated and organizational allegiances can become blurred.

**Network organization:** a group of organizations, or specific parts of autonomous organizations, that behave as a single entity in order to achieve collective goals.

At a societal level it should be noted that the idea of networks can also be linked to other co-dependent systems that have arisen within particular national cultures, such as the Korean *chaebol*, Japanese *keiretsu*, and overseas Chinese businesses. These forms develop interlocking business arrangements on the basis of trust, shared ethnicity or kinship patterns.

Alongside networking, many organizations are seeking to outsource aspects of their operation, which may itself be a reason for networking. 'Hollow' companies such as Nike and Reebok spearheaded the relocation of production to Southeast Asia some 20 years ago but many others have followed since. Thus hollow organizations will outsource non-core business processes to other firms. However 'modular' companies will go further and outsource pieces of the product to other organizations (Anand and Daf, 2007). Airbus provides an example of this. It sources parts of the A380 from countries such as Germany, Spain and the UK and assembles them in

**Case illustration:** Case illustrations reinforce your understanding of the key concepts.

**Definitions:** Key terms are clearly defined for quick reference.

**Summary**

This chapter has covered the key topics usually discussed on MBA organizational behaviour/management courses. Moving from macro to micro perspectives it has reviewed research that focuses on the organization in its environment, through an understanding of organizational processes, to a focus on groups and individuals. Generally speaking, orthodox approaches to each topic concentrate on developing understanding to improve managerial practice and organizational functioning. Critical approaches seek to understand what happens in organizations, to explore why things happen in the way that they do, and to identify how different interests are affected by what goes on. This may also improve organizational effectiveness and it should not be construed that critical perspectives are always negatively intransigent in the face of modern capitalism and automatically set against managerial initiatives. However, they do cause us to reflect on the assumptions underlying the way we organize and manage and also force us to ask challenging questions about the wider interests being served by contemporary organizations.

**Questions for reflection**

- 1 What are the implications of research on organizational structure for designing contemporary organizations?
- 2 What kinds of leadership might be appropriate in multicultural firms?
- 3 How useful is the concept of corporate culture to the practising manager?
- 4 What part does rationality play in organizational decision making?
- 5 How do firms make use of 'emotional labour'?
- 6 How might issues of gender and diversity impact on organizational functions and processes?
- 7 What are the functional and dysfunctional aspects of groups and teams in the workplace?
- 8 Is the motivation of employees a legitimate management task?
- 9 How useful are insights about personality and perception for understanding organizations?
- 10 What do critical perspectives bring to an understanding of organizational behaviour?

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(Continued)

**Summary and Questions for reflection:** We review the main concepts and issues to be sure that you are clear on what was covered, and why. Questions are provided at the end of each chapter to encourage you to explore what you have learnt.

**Further reading:** Relevant articles and book chapters will enhance your understanding of each chapter.



# 1 Introduction and Overview

## Chapter overview

|                                     |    |
|-------------------------------------|----|
| Purpose of <i>The Essential MBA</i> | 1  |
| How to use this book                | 2  |
| What is 'a critical approach'?      | 4  |
| Critical perspectives in management | 6  |
| Management education                | 13 |

## Key concepts

Critical approaches; Critical Management Studies (CMS); Functionalism; Postmodernism; Reflexivity; Self-reflection

## Purpose of *The Essential MBA*

Embarking on a Master of Business Administration (MBA) degree is a challenging prospect. Whether you are doing so to help further your current career, to change careers, or to gain specific knowledge and skills – or a mixture of these – there is little doubt that an MBA will introduce you to a wide range of theories, ideas, concepts and debates, many of which may be new to you and some controversial and contested. Few Masters degrees require a learner to have quite such a wide-ranging command of so many, often fairly disparate, areas of enquiry. The knowledge needed to succeed on an MBA is drawn from a variety of academic disciplines, each with their own set of concepts and theoretical perspectives and each necessitating some familiarity with the 'language' being employed. Many students can find the diversity of subject-matter daunting, and to make matters worse (or better, if you like the rough and tumble of debate) the ideas and theories will often be contested, or will contradict each other, or will prove inconclusive – or all three.

This book is intended to provide a route map for the MBA. Its aim is to offer a guide to the key subjects, topics and debates that make up the general area of business and management, and from where much of the material that you will study will be drawn – all in one clear, readable text. It takes you through the ‘essential’ elements of your MBA, provides an overview of the core areas you will be studying, indicates the main theories and ideas in each, and provides a short and speedy way of getting to the essence of each subject. Indeed, while it is intended primarily for MBA students, because of the content and approach the book should also be of help to other Masters students and undergraduates studying business and management degrees.

One distinctive feature of the book is that it covers so many areas of the MBA in one text; another is that we take a critical approach to the study of each subject. More will be said about this below but, at its simplest, what this means is that each author not only presents the main theories and concepts, but also gives you a critique of these. A critical perspective incorporates an analysis of the underlying assumptions together with a review of alternative perspectives which may run counter to more traditional, orthodox views. This should be invaluable since most MBA programmes require students to take a critical stance towards the subject matter and provide critical reflections in their assessed work.

The main objective of the MBA is to provide students with an understanding of the key areas of management and business. To that end programmes will need to ensure students have a developed understanding of how macro factors at global and national levels, firm-level operating practices and processes, and more micro human processes interact to influence the management and performance of firms, as well as an appreciation of the wider implications for individual workers and society as a whole. Hence, while the following list is by no means exhaustive, an MBA usually encompasses subjects such as Organizational Behaviour (OB); Human Resource Management (HRM); Marketing; Accounting and Finance; Economics; Operations Management; and Strategic Management. This book therefore contains a chapter on each of these, written by a subject expert. However, recognizing the changing imperatives of the business world, many MBA programmes are now incorporating discussions on ethical and moral dimensions of management such as corporate social responsibility and environmental concerns. The chapter on Corporate Social Responsibility (CSR) addresses this area. In addition, a large number of programmes require students to carry out a significant piece of research, often in the form of a dissertation or a project, and the chapter on Research Approaches will guide you through this. Finally, there is a chapter on Study Skills, to help you get the most from your programme of learning.

## How To Use This Book

This book provides a comprehensive summary of the central academic contributions to the MBA curriculum. It contains a separate chapter on the core areas covered in most MBA programmes as follows:

- Organizational Behaviour
- Human Resource Management

- Marketing
- Accounting and Finance
- Economics
- Operations Management
- Corporate Social Responsibility
- Strategic Management
- Research Approaches
- Study Skills

The aim is to give the reader a clear overview of each subject so that they gain a picture of the overall terrain. However, a word of caution is necessary here. While the subjects are presented separately this should not be taken to mean that they are segregated in real life. The troubling fact is that many business problems are complex, multi-faceted and interrelated. They impact on both people and systems and can have financial, operational and strategic implications, both at firm-level and beyond. Many MBA programmes attempt to recognize this by designing courses around multi-dimensional themes. This is sensible, given the nature of the business world. But is also helpful to be able to understand the particular concepts and ideas that emanate from, say, Marketing, and to distinguish those that are more readily associated with, say, Organizational Behaviour. This way, an understanding of particular domains of knowledge can be built up. So, while it would be possible to write a book which attempts to bring together different subjects, this would be a different book with a different purpose. The aim of this text is to clarify an already complex area, and for that reason it is felt that maintaining the integrity of the subjects for explanatory purposes is sensible.

Even so areas of knowledge cannot always be circumscribed within tightly defined and impermeable boundaries. Different subjects will sometimes draw from each other. One example would be in the area of Strategic Management where many of the ideas about strategy implementation can also be found in the area of Organizational Behaviour because implementing strategy is usually about getting people in the firm to do something different and managing the process of change. Where these overlaps occur they are discussed in the text. So while academic boundaries are somewhat artificial, they do serve a purpose – however the fact that they are artificial should not be forgotten.

So, how should you make use of this book? It can be utilized in a number of ways and at various points during the programme. One way would be to dip into it before you even start your degree to get an idea of the kind of subjects you will be tackling. Another would be to read the appropriate chapter before embarking on the teaching sessions for that subject so you have some familiarity with the subject matter beforehand. Finally, the book should provide a useful way of highlighting the key points after teaching sessions as well as offering a source of information for assignments and serving as an *aide-mémoire* for exam preparation. Each chapter includes a ‘further reading’ list to guide further study.

It should also be noted that there may be subjects on your MBA that are not covered here. Some MBA programmes may also include law, information systems, quantitative methods and so on, as well as a host of more specialist electives in addition to the core subjects. We have chosen to concentrate on the elements most commonly taught in most MBA programmes for this text, which is already quite lengthy.

We have tried to ensure some overall consistency in style and presentation throughout the book, even though the subjects are very different. In terms of format, we have incorporated some features that will make the text easier to navigate. Each chapter is organized as follows:

- Chapter overview
- Discussion of main ideas and theories
- Definitions of key concepts (in bold in the text and defined in boxes)
- Summary
- Questions for reflection
- References and further reading

## What is ‘A Critical Approach’?

We said earlier that this book would take a **critical approach** to the subject matter – but what does this mean? At one level ‘to be critical’ in academic terms means not simply accepting received ideas and assertions, but instead questioning the underlying assumptions that have been made, interrogating them to carefully examine their evidential base, and evaluating their strengths and weaknesses. In many ways this amounts to adopting a questioning approach. For example, what assumptions has the author of a theory/idea made about the nature of the matter under study (are these assumptions explicit, justified and reasonable), how strong is the evidence used to arrive at the conclusions (is it relevant, sufficient and robust), what are the strengths of the theory/idea and where does it fall short (for instance, does it apply only in highly specific situations or contexts)? Thus ‘being critical’ means retaining a little scepticism. It means not accepting opinions as fact, and also not accepting ‘facts’ until they have been subjected to careful scrutiny. It does not mean just being negative about everything. It is not about rejecting a theory or research merely because it runs counter to one’s own experience or prejudices. It is about coming to your own conclusions after a careful and systematic examination of the evidence and arguments.

**Critical approaches:** encourage a reflexive and questioning approach in examining the underlying assumptions and evidential basis of ideas and theories.

This links up with ideas of **self-reflection** and **reflexivity**, both of which you will need to consider in order to hone your critical skills. Let’s take reflectivity first. Being reflective means being self-aware; having some insights about your own behaviour and ways of seeing the world and therefore conscious of your own potential biases and value-judgements. You will be utilizing your own experience on the MBA, but you will also be asked to be self-reflective about this experience, and to attempt to arrive at a deeper understanding of both your own and others’ behaviour. These processes of introspection will help to promote new insights. MBA students

are sometimes encouraged to be 'reflective practitioners'; being reflective is therefore about being critically self-aware.

**Self-reflection:** the process of introspection which focuses on a conscious awareness of the human condition and the individual's fundamental nature, essence and purpose.

Next we have reflexivity. This is a complex term that is not always used in the same way by authors. 'Reflex' means 'bent' or 'turned back', so being reflexive is about understanding how one's actions can be influenced by the fact that we are consciously aware of them and their effects. Put another way, reflexivity is about the dynamic relationship between how we act in the world and how we understand and make sense of our actions. Because we are consciously aware of our behaviour, this knowledge may affect our actions in the first place or lead us to reinterpret what these actions actually mean. When applied to the process of learning and the MBA, being reflexive is about being aware of how knowledge is created and being sensitive to our own and others' role in making sense of the world. Knowledge is created through a complex process of social construction in which you are engaged along with others (fellow students, tutors, textbook authors, and so on). Knowledge is not 'given', nor is it independent of the process of construction. These ideas connect to the discussion about 'Learning Independently' in Chapter 11 on Study Skills. In summary, it could be said that a critically aware learner is reflexively self-reflective.

**Reflexivity:** a self-referential relationship in which the actor's thinking or action refers back to, and affects, their thoughts and actions.

The skills required for critical analysis are central to many areas of academic endeavour as well as being essential to the practising world of management. They are used when making sense of ideas and perspectives presented by tutors and others, when reviewing texts, articles in journals and other documents, and will also apply when marshalling your own arguments, writing assignments and business reports. Writing or presenting arguments is an exercise in persuasion. You will need to convince others, and others will need to convince you, that the analysis is well founded, makes sense, and is ultimately justifiable.

However, within the domain of business and management 'a critical approach' can also have another meaning – one which refers to a particular stream of work that is concerned with critically evaluating the nature and function of business and management in contemporary society. This perspective, often given the appellation **Critical Management Studies (CMS)**, has had a long genesis but gathered momentum, especially within European academia in the 1980s and 1990s. Drawing on sociological and political science traditions, scholars in this field have contributed to

a vigorous and wide-ranging debate about management in general, which has led to discussions about the role and purpose of management education, particularly in business schools and specifically at MBA level. It is important for MBA students to be aware of the broad parameters of this exchange because the arguments it encompasses focus on fundamental questions that are at the heart of MBA education. The next section will therefore address these.

## Critical Perspectives in Management

It must be said at the outset that there is a wide variety of contributors to debates within Critical Management Studies and a diverse range of concerns. It is not a coherent movement or a unified body of thought and, as with many emerging intellectual traditions, some internal contradictions remain. To properly analyze the origins of the debate and encompass all its different facets would take a book in its own right, so what follows is a much abbreviated and simplified outline of a few general themes.

The overarching concern of CMS has to do with the role and purpose of business and management, but this covers a range of elements including, for example, power relations in the workplace and beyond, questions of gender and diversity, and the nature of managerial knowledge. It follows that critiques emanate from a variety of standpoints, including political theory, labour (employee) relations, feminism and philosophy, to name but a few.

Perhaps what binds together proponents of this broad perspective is a desire to question the view that sees management as a neutral activity that is employed for the public good, and to explore the possibility that it is primarily concerned with the advancement of some sectional interests (typically those of corporations and business institutions) to the neglect of other stakeholders. In this view the interests of some sections of society are privileged over others, resulting in inequality and discrimination. Going further, if managers are not neutral technicians then it follows that initiatives to improve managerial practice will require careful scrutiny, since the anticipated benefits may not accrue equally to all interests and indeed may augment the potential for marginalization and the exploitation of one group by another. Since MBA programmes are perceived to be concerned with enhancing managerial skills and knowledge, they have also become subject to critical inspection, and their function and educational responsibilities interrogated.

Critical management scholars take the view that most traditional business theory is firmly rooted in a managerialist agenda, is uncritical in nature, and ignores wider business and societal concerns. This orthodox theory emanates from a functionalist form of sociology, **functionalism** being based on the assumption that individuals and social practices have a purpose in maintaining the equilibrium necessary for society as a whole to survive. The work of the scholar therefore is to understand the way in which particular activities and processes contribute to this functioning.

**Functionalism:** a sociological perspective that views society as having particular needs in order to survive and seeks to understand how various parts of society contribute to achieving these.

However, what is deemed to be functional very much depends on whose aims are being served. What is functional for some may be deleterious to others. As a result Critical Management Studies (CMS) hold that an examination of business and management ideas means being aware of the implicit values that underpin, inform, and shape these. Such ideas are not ‘value-free’ – they are imbued with particular ways of seeing the world, specific sets of beliefs, and particular positions on ethical questions. While these beliefs and values are often unstated they can often be inferred by an attentive reader who is alert to such matters. A critical approach therefore requires taking a moral position on taken-for-granted assumptions, for example that increased efficiency is always a legitimate goal and extracting the maximum productivity from labour is always desirable. It also means being self-reflexive about one’s own beliefs and attitudes.

Some of the areas mentioned above (power, gender and the nature of management knowledge) will now be examined. The implications for management education will then be explored.

**Critical Management Studies:** a range of perspectives that seek to offer a critique of contemporary business and management ideas and practices.

## Power

CMS has deep-rooted concerns about the supposition that objectives are shared by all the parties engaged in a business enterprise, and instead emphasizes the plurality of goals that can exist within the firm. In taking this position CMS highlights notions of power, seeing organizations as locations where the consequences of fundamentally unequal power distributions in society are played out. In other words, the differential allocations of power at a macro level are mirrored in the hierarchical and occupationally segregated arrangements found in most organizations. This is more than a simple pragmatic division of labour introduced to achieve order and efficiency; it is a deliberately engineered feature of stratified societies whereby particular groups try to achieve domination by reproducing the structures, ideologies and value-systems that maintain their power within organizational and institutional frameworks. Hence organizational discord and conflict are symptoms of opposing goals and values and cannot be simply ‘managed away’.

Issues of conflict are often discussed within the domain of management-labour relations, and are sometimes seen as an inevitable outcome of the inherently oppositional aims of owners or their agents (managers) and alienated workers (see Chapter 3 on employee relations within HRM). In this view managers are focussed

primarily on maximizing productivity and employees concerned with minimizing exploitation. The prevailing managerial preoccupation is therefore with control and surveillance. However, this explication reveals essentially modernist and neo-Marxist interpretations of power, owing much to the debates which centre on the work of the Frankfurt School and writers such as Habermas, Marcuse, Adorno and Horkheimer, among others. At the same time Critical Management is not confined to this intellectual base, and many streams of discussion demonstrate a sympathy with post-structuralist and/or **postmodernist** debates. Care is needed here because neither poststructuralism nor postmodernism lends itself to straightforward definition. The terms sometimes appear to be used inter-changeably in the literature and yet, while the approaches do share some common ground, they can be traced to different origins. Having said this it is difficult to definitively locate particular authors within particular approaches, as many of the writers often cited as being connected with either poststructuralism or postmodernism have been at pains to deny any affiliation, resisting any attempt to pin down their philosophical positions.

There is not the space here for a lengthy exposition of these philosophical movements and simplifying such complex and intellectually demanding ideas is fraught with problems, but it can be argued that poststructuralism questions the assumptions of structuralism that there are relatively stable underlying structures, particularly in cultural products such as texts and symbols, through which meaning is produced and reproduced. Poststructuralism would take the view that books, for example, are open to multiple interpretations as the reader will 'translate' and give meaning to what is written. In many ways the reader's interpretation takes primacy over the author's intended meaning. Yet these interpretations are fluid and transient, and are shaped by historical, cultural and societal influences, so that meaning itself is in a state of flux.

Many writers within CMS make reference to postmodernist themes. These are also concerned with meaning, emphasizing the active role of 'deconstruction' in surfacing the frames of reference and assumptions of the author. Deconstruction involves challenging arguments and statements by questioning the premises and foundations of the logic on which they are built. Thus, for example, even reasoning which purports to be objective (and therefore is presumed to be unbiased; generally taken as being a hallmark of good science) is open to questions about the ways in which it has been labelled 'objective' and thus accorded such legitimacy. Postmodernists are deeply sceptical about the modernist search for 'truth' based on a shared notion of some objective reality, instead arguing that humans impose their own logic on events and actions, continually constructing and reconstructing their own worlds which are sustained and renegotiated in the process of 'making sense' of what is experienced. Fundamentally meaning and understanding are not given – they are created. Language plays a central part in helping to create this understanding. We know the world through our creation of the language and discourses (ways of communicating) used to describe it but this knowledge is both indeterminate and provisional. Therefore postmodernists reject the notion of 'meta narratives' such as Marxism which purport to offer grand explanatory schemas. Instead, given the simultaneous availability of many theoretical positions, the emphasis is placed on shifting explanations for phenomena which will be subject to on-going revision.

Thus humans construct versions of reality but these have no universal or absolute status. Indeed, no single voice has automatic priority over others, a suggestion which has interesting implications for academia and the status of books such as this one. The key thinkers frequently referenced by writers in the CMS tradition would include Foucault, Derrida, Bourdieu, Lyotard and Baudrillard, but would also encompass a host of other authors. Foucault's concept of power is relevant here, and is markedly different from the views outlined at the beginning of this section. In his analysis power is not a property of structural arrangements such as those that give rise to the hierarchical distinctions between management and labour, but is embedded in social relationships. While this may be most evident in institutions such as the military and penal system (the subject of one of Foucault's seminal analyses), it is an inescapable feature of all aspects of life, operating through the routine activities of everyday existence. Individuals create their own networks of power through their ongoing interactions and relationships, and their acceptance of the prevailing codes of behaviour which shape these relations. Power is diffused through society, and all individuals possess some countervailing power, hence the modernist portrayal of a clear-cut demarcation between a minority elite who possess power and a disenfranchised powerless majority, is replaced by a more complex version in which power fluctuates within and between different groups and individuals.

This perspective on power is one that emphasizes its potentially shifting and transitory nature as well as its location within heterogeneous and only loosely bounded groupings. This serves as a reminder that the terms 'management' and 'worker' give a misplaced sense of the uniformity within groups and mask the significant differences that may exist within collections of individuals. So 'managers' are differentiated along many dimensions, including age, profession, status, religion and gender. Indeed, any individual may have multiple identities – for example, an executive who is simultaneously a member of the accounting profession may also belong to the senior management team, be a husband and father, and hold membership of a local trade organization. One of these dimensions, gender, has been the subject of much debate within CMS and will be discussed further in the next section.

**Postmodernism:** philosophical perspectives that emphasize the social construction of texts and discourses, the multiple ways of interpreting them, and hence call into question universalistic notions of reality and truth.

**Postmodernism** in turn has been criticized from a number of viewpoints. Foucault's conception of power is seen as underplaying the role of ideology and wrongly decoupling it from state and institutional influences. The notion that cultural artefacts can be 'read' in multiple ways appears to suggest a relativist position where all interpretations are of equal worth and are given equal consideration. The postmodernism stance seems antithetical to ideas of advancement, especially in science where the assumption is that progress is founded on the accumulation of an established body of knowledge. Many commentators have criticized postmodernists' reluctance to make

their principles and premises clear, instead seeming to prefer the safety of ambiguous indeterminacy and rhetorical verbal game-playing. Finally, it is argued that postmodernism does not represent a break with modernism – which in any case was not a static, unchanging, unified theoretical position – but is merely an evolution of it.

Some key elements of postmodernist approaches are summarized below.

- An emphasis on the deconstruction of texts and symbols to reveal underlying meanings
- A consequent ‘de-centring’ of the author’s voice since the reader plays an active part in constructing meaning
- The belief that there are shifting, often conflicting, multiple interpretations and realities
- A focus on the centrality of power within social relationships
- A stress on the fragmented, indeterminate, and fluid nature of things rather than seeing them as fixed, stable and final
- A suspicion of meta theories that offer universalistic propositions and explanations
- A depiction of the individual as having multiple, shifting identities

Power is at the heart of CMS preoccupations. How power is manifested and deployed in organizational settings, and to what effect, is central to understanding modern business and society. The unmasking of hidden relations of power is an important task. At its roots, many of the proponents of a critical perspective have a liberalizing and emancipatory agenda and this is where the study of business and management takes on an explicitly political mantle.

## Gender and diversity

Questions of gender are another central ingredient of the CMS debate, acknowledging wider reflections in management and organization studies where there has long been an interest in the under-representation of women in managerial positions, particularly at more senior levels, and a recognition of occupational segregation, both vertically (where women, though well represented in occupations such as teaching, are confined to more junior positions) and horizontally (where women are under-represented in particular occupations, such as surgery).

But beyond this some CMS scholars suggest that studies of management are characterized by an overly masculine orientation. This is manifested in a number of ways. Firstly it is argued that much of the research in business and management focusses predominantly on male subjects but also assumes that findings apply to both men and women. Secondly the position of women in business tends to be ignored giving the impression that organizations are gender-neutral. So gender-specific findings about men are extrapolated to apply universally, and women in organizations are ignored as a specific research category.

To take some examples, much of the work looking at effective managers has been carried out by observing men. It is therefore unsurprising that many of the

traits associated with successful leaders, such as assertiveness, are ones more typically associated with men. Many writers have highlighted the way in which the implications of gender have historically tended to be ignored. Well-known examples include the female workers overseen by male supervisors in the Hawthorne experiments (where the findings concentrate on factors affecting productivity in the Western Electric Company's Hawthorne Works, but do not explore the gendered nature of authority relationships in the firm), and the male maintenance workers in Crozier's tobacco firm who accrued power by controlling one of the residual sources of uncertainty – fixing the machines when they broke down – in an otherwise routinized, bureaucratic assembly plant, ignoring the fact that the female operatives on the production line were strongly discouraged from interfering with the machinery, this being seen as a male province.

Another way in which business practice is argued to embody a masculine perspective is in the language and metaphors of management and business which tend to be stereotypically masculinist in nature. Business is presented as being war-like, any competition has to be beaten, tactics are deployed as in a military operation and leaders have to be strong and good at commanding. The more cooperative, emotional and relationship-oriented aspects of business, seen by some as more feminine qualities, are consequently downplayed or downgraded. This discourse of management is inextricably linked with relations of power, since the way that power may be realized is in the shaping and legitimizing of a discourse, which sets the boundaries for talking, thinking and enacting management. If the discourse of management is essentially masculine then it frames how individuals think and act as managers and is ultimately linked to how we construct our sense of self and identity. It is argued that female managers – especially senior executives who are very much a minority in most firms and are more visible as a consequence – may have particular difficulties in enacting managerial roles since the prevailing role-models are overwhelmingly male. Women may not feel comfortable with these and there is some evidence (see for example Cassell, 1997) that behaviours associated with men, such as assertiveness, may be less acceptable when coming from a woman.

However, postmodernist perspectives would urge caution here. Much of the debate surrounding issues of gender takes the view that gender categories are fixed and stable. An alternative view would be that there are multiple ways of 'being female', or male, and that individuals will choose from a broad repertoire of traits, behaviours and attitudes that have been socially sanctioned as either feminine or masculine. Thus we learn to become female or male in a process that is transformative, fluid and on-going, and since we are capable of inhabiting multiple identities this occurs repeatedly as we act out our notions of 'self' in different circumstances.

This alerts us to an important point that femininity and masculinity are to a large degree culturally determined, so that prescribed male and female behaviour may differ according to what is thought acceptable in a particular cultural context. Critical Management Studies is therefore concerned with developing awareness not just of gender, but also of wider aspects of diversity, acknowledging that management ideas are located within specific contexts. The degree to which such ideas are universally relevant or culture-bound must be carefully considered in any serious evaluation of their utility. This is a point we will take forward in the next section.

## The nature of managerial knowledge

The vast majority of research and writing about business and management has historically come from the West. This should give us cause for reflection, and underscores the need to critically examine ideas for cultural bias and cross-cultural relevance. Underpinned by Western notions of logic and reason management 'science' has tended to try and emulate the natural sciences by emphasizing the canons of the 'scientific method' (see Chapter 10 on Research Approaches), even though the subject matter in the social sciences is markedly different. Orthodox approaches stress the rationality of management. This invites contrasts with non-rational or emotional processes (often imputed to women, thus making them less suitable for managerial positions) and marginalizes the role of intuition and instinct.

Yet the body of knowledge that informs the study of management is neither coherent, nor agreed. Indeed, following Foucault, a postmodernist interpretation is that knowledge is a label applied to the practices and discourses embedded in networks of power rather an objective version of the 'truth'. In the realm of business much of what passes for knowledge is mere anecdote, supposition and conjecture, a canon of 'best practice' and 'how to do' books which are rather frequently based on narrow experience in limited contexts. The ever-increasing numbers of books about management (see the expanding shelves in airport bookshops for examples), the rise of the management 'guru' (often either former CEOs or management consultants), together with the plethora of short-lived fads and fashions (many not new but simply recycled), support the view that the market is hungry for ideas but is not much bothered about provenance or evidential rigour. At the same time, there is a mounting array of 'academic' research papers and journals, which purport to give a scientific basis to the subject, but which are couched in esoteric language and seldom actually used. One proficiency that a good MBA education should provide is the ability to make judgements about the evidence on offer, to discriminate between different opinions and to recognize old ideas in new guises – invaluable skills in the current climate where management ideas are themselves a highly marketable commodity.

Thus the foundations of management knowledge are both precarious and contested. Practitioners and academics are sometimes suspicious of each other, with practitioners finding much academic work arcane, abstract and of questionable relevance, and academics finding much practitioner-based work superficial, unreliable and a-theoretical. While there is an array of techniques to aid with the technical aspects of, say, operational or financial decision making in organizations, it is less clear what methods exist as a basis for the study of management itself. Unlike well-established professional groups such as doctors or engineers there is not the same kind of agreed corpus of knowledge, attainment of which acts as a gateway to the profession for qualified members. One can argue that the MBA is a constituent of the drive to professionalize management, but the qualification does not regulate entry into management by licensing or excluding members in the same way as a medical degree does for doctors.

Thus an MBA programme should recognize the contested nature of the terrain of management and the MBA student must become accustomed to contradictory assessments and debates. CMS emphasizes the need to understand differing positions

and views in management rather than gloss over them. An appreciation of the deep-seated divisions that exist within the domain of management theory marks the beginning of a meaningful educational experience for a student undertaking an MBA.

The status and nature of management knowledge has implications for how management is taught, and the issue of management education, particularly as it relates to the MBA, is addressed in the next section.

## Management Education

The discussions about ‘critical approaches’ to management and the debates within CMS have a number of repercussions for the realm of management education. Firstly they suggest forms of curricula and pedagogy that encourage a questioning approach to subject matter. Ideas, concepts and theories require critical scrutiny and open discussion rather than didactic teaching and an unquestioning regurgitation by students. The subjects comprising business and management studies need to be taught in ways that explicitly acknowledge their political, ethical, and philosophical nature (Grey, 2004: 180). Since the topic of management is not ‘value-free’ there should be space in the curriculum to allow the implicit values informing managerial practice to be debated and not merely accepted. This should also allow for any partiality in theories – for example in terms of cultural or gender bias – to surface and be examined.

Given the somewhat indeterminate and provisional nature of much of the knowledge in this area, ideas need to be carefully examined for continued currency and the possibility of revision entertained. As many participants on MBA programmes have managerial experience this provides a way in which new ideas can be tested out and is one reason why assessments that require the application of theories to the workplace are frequently used. However, the previous discussion about the potentially sectional nature of interests within business calls into question the view that the sole purpose of managerial education is to advance managerial practice. Hence relevance or importance to practice is only one criterion that might be applied; relevance or benefit to the local community or wider society might be another.

It is not the purpose of this book to prescribe how the MBA should be taught. Different programmes, and different teachers, will have their own preferred methods, styles and pedagogic rationales, and it is likely you will encounter a variety of approaches including case studies, lectures, small group work and so on. However, issues of power and control are also relevant to the classroom setting, especially if the learner is simply relegated to being a passive recipient of knowledge.

Having said this it is possible to create opportunities for active learning where learners can frame their own questions, test out their own assumptions and form their own conclusions. In the final analysis an MBA is not about equipping the individual with a box of tools to solve organizational problems, it is about that person having the skills to better understand complex issues and the ability to continue to learn in new environments as unfamiliar situations arise. Given the plethora of new ideas in management and the continued recycling of old ones, this is becoming an increasingly indispensable skill for students and practising managers. An MBA marks the beginning of learning, not the end.

In conclusion, it can be argued that Critical Management Studies takes a critical approach (see above) in that it questions the assumptions underpinning theories and debates but does so with a particular emphasis on issues of power and control, gender and diversity and so on. This book will take a critical approach by interrogating the issues and ideas presented in each domain. Since there is overlap between a critical approach and CMS the generic terms ‘critical perspective’ or ‘critical approach’ will be used to denote a range of viewpoints that seek to offer a reflexive critique of particular topics. It should be noted that not all MBA subjects have developed critiques in the same way or to the same degree. Many of the debates referred to in this chapter have emerged from, and feature most prominently in, organizational theory (organizational behaviour) and human resource management. Particular aspects of these debates have permeated other subjects to a greater or lesser extent; therefore each author will present the key critiques and alternatives that have emerged in their own domain. In areas where some of these debates are less developed, students should find that the ideas presented in this chapter offer useful starting points for further reflection.

## Outline of The Book

While there is no model for an MBA in that different programmes will organize subjects differently, many will study the core ‘building blocks’ such as Organizational Behaviour, Human Resource Management, Marketing, Accounting, Economics and Operations at the first stage, before moving on to look at subjects such as Strategy and Corporate Social Responsibility (CSR) which will overlay and connect the core elements. Students can then either deepen their existing knowledge or extend their breadth of knowledge through elective choices, before finally moving on to a dissertation which is intended to bring together learning gained on the rest of the programme in a major, usually research-based, project.

The chapters have been organized with this implicit model in mind, as depicted in Figure 1.1, beginning with Organizational Behaviour, Human Resource Management, Marketing, Accounting and Finance, Economics and Operations, and then reviewing Corporate Social Responsibility and Strategy before examining the area of Research Approaches. A final chapter looks at those Study Skills that can help with the generic skills involved in successfully undertaking an MBA.



**Figure 1.1** Organization of *The Essential MBA*

## Summary

This chapter has attempted to do a number of things. It has offered some hints about how to make use of this text and given an overview of what it will cover. It has also tried to put the MBA in some kind of context. The MBA is a challenging degree but it is also a very rewarding one. In part the challenge comes from the sheer diversity of topics studied, but it also emanates from the type of intellectual terrain that will be covered. Students who can appreciate some of the debates outlined here should be in a good position to develop their knowledge and understanding, thereby lessening the danger of them becoming confused and overwhelmed.

This chapter has spent some time examining the debates within critical perspectives. It is recognized that it is not necessarily the case that your MBA will deal with CMS in any depth, if at all. At least, not in terms of requiring you to read about it directly, but studying for an MBA cannot, and should not, avoid some of the key questions raised here. As indicated earlier, you are likely to be required to take a critical approach to your work and that of others, and while this may not necessitate a direct familiarity with the contributors to CMS, a critically aware and questioning approach is common to critical perspectives more generally and increasingly features in a wide range of MBA subjects as the chapters here will demonstrate. This makes this book both timely and essential reading.

Critical perspectives direct our attention to the relations of power that often lie hidden, reminding us that there are different versions of reality and truth statements and that outward manifestations often belie underlying conditions. Management education is about engaging with politics and – while it is not always a comforting prospect – good education will sometimes rouse us from our comfort zones. There are fundamental links between the kinds of issues raised in this chapter and the perceived nature and purpose of management education. It is hoped that having some idea of these should help you to be better equipped to get the most from your MBA studies and organizational role – not in providing a tool kit, but in offering a way of thinking and learning that will retain its currency, even if the theories and ideas taught on your MBA eventually go out of fashion.

Good luck!