

# DEFINING MANAGEMENT

Business Schools,  
Consultants, Media

Taylor & Francis  
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# CONTENTS

<i>List of Illustrations</i>	<i>xi</i>
<i>Acknowledgments</i>	<i>xiv</i>
1 Introduction: The Rise of Management	1
2 Background: Views on the Development of Management	9
<i>Management as Practice</i> 9	
The Origins of Management and Managers	10
Further Expansion and Transformation	12
Changing Backgrounds of Managers	13
<i>Management as Innovation</i> 14	
Early Origins of Management Ideas	14
Moving Beyond the Shopfloor	16
The Dominant Narrative and its Critics	17
<i>Management as Fashion</i> 18	
3 Approach: Three “Fields” in Historical, Comparative, and Integrative Perspective	24
<i>Business Schools, Consultants, and Media as Organizational Fields</i> 24	
Defining Organizational Fields	24
Characteristics of Fields: Structures and Logics	27
Relations and Interactions between Fields	28
<i>A Historical, Comparative, and Integrated Perspective</i> 29	

The Development of the Three Fields 29  
Cross-national Comparisons and Linkages 30  
Interactions among the Fields and with Practice 33

**PART I**

**Diverse Origins 39**

4 The Emergence of Schools of Commerce 41  
*Organizing Higher Commercial Education* 41  
    United States: Inclusion into Universities 42  
    Europe: Left on the Outside 44  
*Pioneering Initiatives and Early Expansion* 45  
    United States: Failed and Successful Foundations 45  
    Europe: Multiple Moves and Influences 48  
*International Circulation of Models* 53

5 Accountants and Efficiency Engineers as Early Consultants 59  
*Situating the Origins of Consulting: A Variety of Views* 59  
*Accountants as Invisible Frontrunners* 61  
*Scientific Management and the “Efficiency Experts”* 64  
    The United States as the Seedbed 64  
    Consulting Emergent: Many Individuals and  
    One Firm 67  
    Spreading the Gospel – and the Business 70

6 A Diverse Start for Business Publishing 75  
*Frontrunners in Business and Management Publishing* 75  
    The Origin of Four Significant Publishing Houses 75  
    The Four Publishing Houses in Context 77  
*The Business Press: Specialized Challengers to the  
Established Newspapers* 80  
    Four Significant Entrants 80  
    The Entrants in Context 81  
*Academic Journals: Early Steps Towards Institutionalization* 82  
    Points of Departure 82  
    Five American Frontrunners 83  
    The Five Frontrunners in Context 85

<b>PART II</b>	
<b>In Search of Directions</b>	<b>91</b>
7 Establishing a Place for Business Education	93
<i>The Struggle for Recognition as a Professional School in the United States</i> 93	
Changing Nomenclature, Continuing Diversity	93
Claims toward “Profession” and “Science”	95
Expansion, Increasing Stratification, First Critiques	98
<i>Diverging Developments in Europe and Elsewhere</i> 101	
Turning into a “Science” and a Faculty in Germany	101
Fragile Developments in France and the United Kingdom	103
Diverse Influences, Different Outcomes in Other Parts of the World	104
8 Old Certainties and New Departures in Consulting	110
<i>Scientific Management: Still on a Mission, Now Also Internationally</i> 110	
Expanding Taylorist Ideology and Practice	110
Waning Efforts in Japan, China, and Russia	113
Building an Alternative: Germany’s Cooperative Logic	114
<i>Efficiency as a Growing Business</i> 115	
US Consulting Engineers at Home and Abroad	115
Paling Them All: Charles E. Bedaux and His Firm	117
Moving Abroad and Engendering Local Firms	119
<i>The “Others”: Ongoing Trends and New Developments</i> 121	
Still in the Shadows: Accounting and HR Consulting	121
What the Future Would Bring: A Professional Vision for the Field	123
9 Broadening Audiences for Business Publications	129
<i>Publishers: New Actors and Increasing Numbers of Management Books</i> 129	
Wiley, Harper, Macmillan, and McGraw-Hill	129
Other Early Entrants: The Ronald Press and University Presses	132

Four Additional Publishers	133
The Emergence of General Management Books	134
<i>Expansion of the Business Press: Higher Circulation and New Titles</i>	136
<i>Academic Journals: New Initiatives from Universities and Professional Associations</i>	137
Four Interwar Entrants	137
Impact and Orientation of the Nine <i>FT45</i> Journals	140
The <i>FT45</i> Journals in Context	141

**PART III**

**Post-World War II Expansion 147**

10 Making Business Education Scientific 149

<i>Post-war Transformation in the United States</i>	149
<i>The New Look “Business School” and the MBA in the United States</i>	153
<i>American-style Business Education Moves Abroad</i>	155
The Post-war US Offensive	155
The Stand-alone Schools	156
Penetration into the University	160
The University-based Graduate Business School and the MBA	161
<i>Growth in Business Education Outside the United States and its Limitations</i>	162

11 The Assertion of Management Consulting 168

<i>Consulting Engineers: Mixed Fortunes</i>	168
United States: Out With the Old, In With the New	169
European Consulting Engineers Dominating Europe	172
<i>The Triumph of Science ... eh, Professionalism</i>	174
Science on the Rise – For a While	174
A Triumphant Professional Model	177
International Expansion and Replication	182
<i>“The Accountants Are Coming!”</i>	184

12 Growth and Diversification of Management Publishing 191

<i>Publishers: Expansion, New Establishments, and Restructuration</i>	191
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Wiley, Harper, Macmillan, and McGraw-Hill	191
Other Already Established Publishers	194
Entrants and Restructuration	196
<i>The Business Press: Circulation Figures Taking Off</i>	198
<i>Academic Journals: New Titles and the Move to Publishing Firms</i>	200
New Foundations: Expansion and Specialization	201
Significant Papers Published by the Entrants	204
Further Additions to the Field	205

**PART IV****Markets Reign 213**13 The Business School and the MBA Become “Global” 215

<i>US Business Schools: A Transforming and Spreading Model</i>	215
Becoming More Market-driven at Home	215
Accreditation: A US Institution Expanding – and Replicated – Internationally	217
Media Rankings: Defining and Measuring Reputation	222
<i>Globalizing the “Business School” and the “MBA”</i>	223
Expansion in Europe: Still in Different Ways and to Varying Degrees	224
Expansion in Asia and Latin America: Governments Intervene	226
New Areas of Expansion	227
<i>Internationalization</i>	228

14 Consulting as Global Big Business 234

<i>The End of Engineering? Kind of...</i>	234
<i>IT and its Beneficiaries: Established Actors and Newcomers</i>	236
The Accountants: Forward to the Past?	236
From the Margins to the Center of the Field: IT Firms	241
The Marginal and Ephemeral: Inside Out and “Fast Five”	244
<i>Strategy and Organization Consulting: Melting Ice Cubes?</i>	246

15	Mergers and Mass Markets in Media	255
	<i>Publishers: Concentration among Multinational Multimedia Companies</i> 255	
	Wiley, Harper, Macmillan, and McGraw-Hill: Considerable Changes 255	
	Further Restructuration of the Field 258	
	<i>The Business Press: Changing Ownerships in Booming Markets</i> 263	
	<i>Academic Journals: Scholars and Publishers in Interaction</i> 265	
	Another Dozen FT45 Journals 265	
	Significant Papers and Author Origins 268	
	Further Growth in Journals 271	
	<i>Looking Ahead</i> 273	
16	Conclusions: Commoditizing Management?	280
	<i>Processes: The Trajectories of the Three Fields</i> 280	
	From Survival to Legitimacy and Authority 280	
	Toward a Single US-dominated Global Model? 284	
	From Missionary Zeal to Market-orientation 287	
	<i>Outcomes: Turning “Management” into a Global Commodity</i> 290	
	<i>Final Considerations: Better Ways?</i> 294	
	<i>Index</i>	297

# 1

## INTRODUCTION

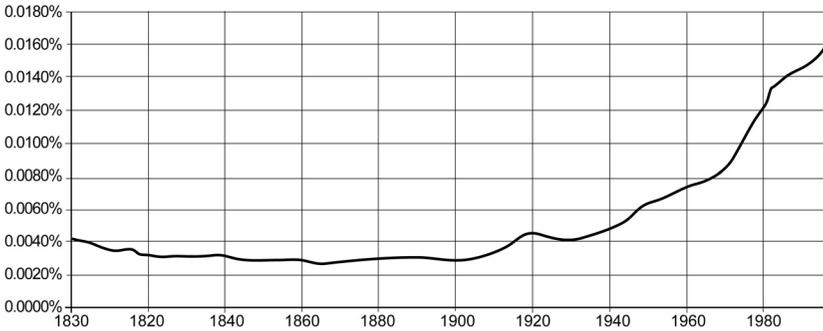
### The Rise of Management

Today, the term “management” is everywhere, describing, as the corresponding entry in *Merriam-Webster’s Dictionary* (9 September 2015) suggests, “the act or art of managing: the conducting or supervising of something (as a business).” That “as a business” is put into parenthesis and uses the comparator “as” is significant: It shows that the term is no longer confined to the “administration of business concerns or public undertakings; persons engaged in this,” as the earlier entry in *The Concise Oxford Dictionary* noted (Fowler, Fowler, and Thompson 1995). Over the past decades, the application of management as a term and as a practice has decisively moved beyond business, and even public administration, to all kinds of organizations, including hospitals, universities, and museums, and even entered into everyday life – a development that some authors have referred to, usually critically, as “managerialism” (e.g., Enteman 1993; Fitzsimons 1999; Locke and Spender 2011). It has also spread internationally with the word “manager” now used in many languages concurrent with or in place of native terms to denote people with responsibility for others – an early example being the German publication *Manager Magazin*, founded in 1971, addressed at people traditionally referred to as *leitende Angestellte* or *Führungskräfte*, literally translated as leading employees or leadership forces, respectively.

But even in English, the term itself did not come into more widespread use until after World War II, as suggested by Figure 1.1, which is based on a limited sample, i.e. Google Books, yet indicative of a broader trend.

Such a restrictive earlier use is actually not surprising given the origins of the word, which can be traced back to the mid-sixteenth-century Italian word *maneggiare*, which in turn is based on the Latin word for hand, *manus*, and, in this early context, referred particularly to the handling of horses (*Oxford Dictionaries* and *Online Etymology Dictionary*, 19 July 2015). In the eighteenth and nineteenth

## 2 Introduction



**FIGURE 1.1** The Occurrence of “Management” in Google Books 1800–2000

centuries, “management” was used for small units, namely churches and households. For instance, a humoristic book on *The Church Rambler; or, Sermon Taster* included “a pleasant account of the humours, management and principles of the Great Pontif Machiavel” (Wildair 1724). Another of many more examples is the title of a sermon about “the duty of a Christian church to manage their affairs with charity” (Balch 1735). The nineteenth century saw the first “management” bestseller: *Beeton’s Book of Household Management* by Isabella Beeton (see Figure 1.2). First published in 1861, the book had 1,112 pages and 2,751 numbered entries, most of them recipes but also descriptions of the duties of the various household staff. The book sold two million copies already by 1868 and is still in print (Stark 2001; Russell 2010).

The activity referred to today as management was described at the time in other terms, which can for instance be found in an eight-volume book on *Modern Business Practice* published in 1912, which did not discuss management in the text but, in its glossary of commercial terms, contained a somewhat circular definition of a “manager” as “a person appointed by a company to manage its business, or by a proprietor to manage an office or shop or department, or other undertaking” (Raffety 1912: Vol. 8, 206).

How management spread from such a rather narrow use and became so ubiquitous is therefore a phenomenon that deserves attention by all those involved in practicing or studying it. And, while it has received some attention both in more popular and more academic literatures, quite a few authors have used the term rather indiscriminately without historicizing it – for instance by tracing “basic management techniques” back to ancient Sumer in 3000 BC (Pindur, Rogers, and Kim 1995; see also Witzel 2001). As Chapter 2 will discuss in more detail, most histories of management have either examined how its practice has evolved with the corresponding (business) organizations – with summary accounts to be found in business history textbooks (e.g. Chandler, McCraw, and Tedlow 1996; Blackford 2008; Amatori and Colli 2011); or how certain individuals,

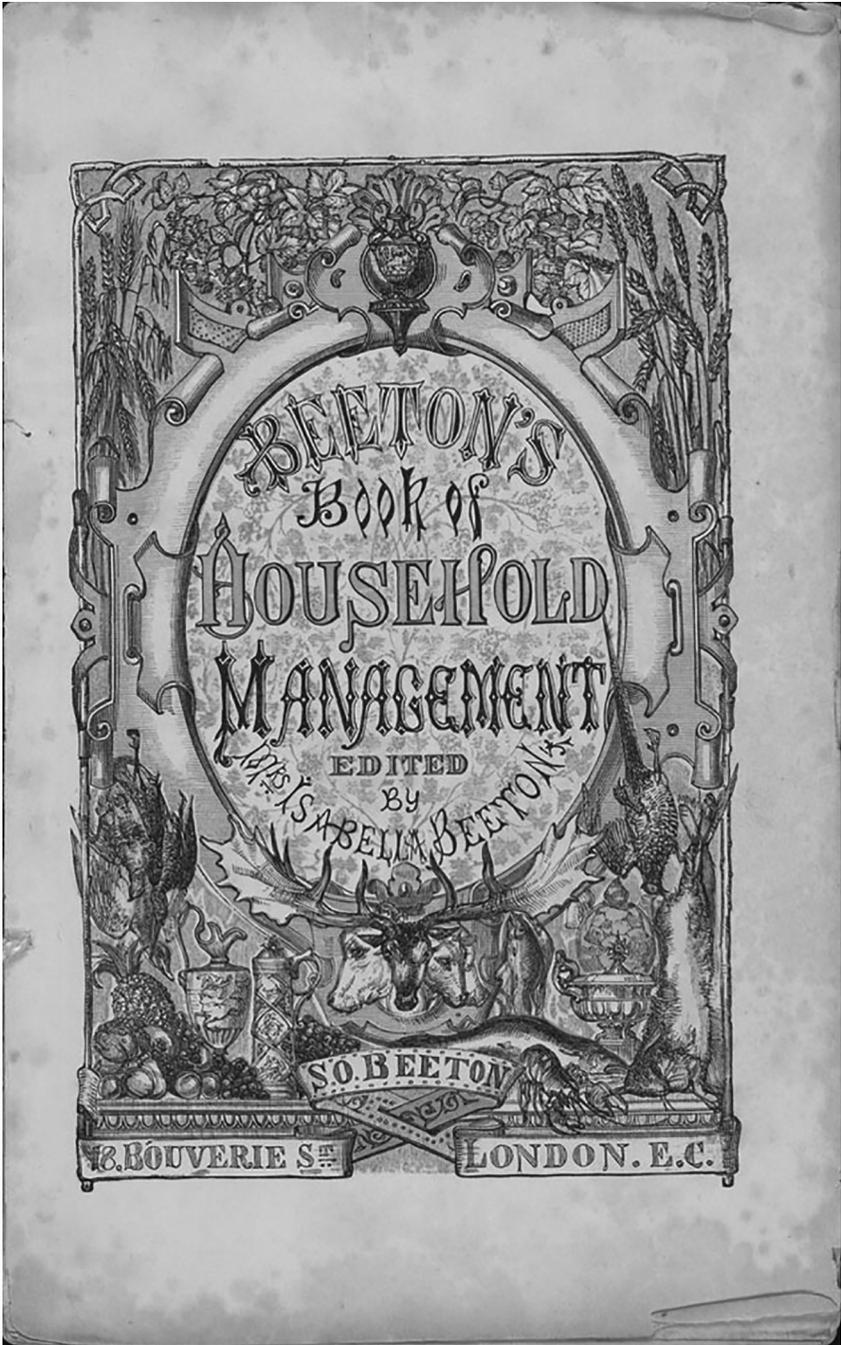


FIGURE 1.2 Cover of *Beeton's Book of Household Management*

#### 4 Introduction

characterized usually as “innovators,” developed new, meaning: better ideas of how to manage – a progressive story told in books on the history of management thought (e.g. Wren and Bedeian 2009; Witzel 2012).

More recent literature, also discussed in Chapter 2, has drawn attention to a different set of actors, in particular business schools, management consultants, and business publications. This literature points to another phenomenon worthy of attention, namely the fact that these sets of actors are today widely considered what could be called “authorities” on management by defining what is “world-class” or “best practice” – a fact also highlighted by a study of “cited experts” in the above mentioned *Manager Magazin* between 1980 and 1996. While there was a declining trend for managers as experts, down from around 60 to just over 30 percent, consultants and academics more than doubled their joint share, respectively from under 15 percent to over 30 percent, with the remainder made up by other practitioners (Faust 2002: 158–160).

When looked at in detail, this kind of authority or definitional power is quite stunning: Take the story of a British top manager, told by himself in the aptly titled documentary *Masters of the Universe* (Films of Record 1999: Part 1), of how he bought Michael Hammer and James Champy’s (1993) book *Reengineering the Corporation* at the train station on his way home from London, read it *twice* over the weekend – ignoring his wife, and, when returning on Monday morning, bought all the available copies at that same book store, took them to the office and distributed them to his managers, telling them: “This is what we’re doing. Read it, we are going to work to this thing.” And he was clearly not the only manager finding the book appealing, since it remained on the *New York Times* non-fiction best-seller list for a staggering 41 weeks. It also warranted Hammer’s inclusion on *Time* magazine’s 1996 list of “America’s 25 Most Influential People” (Hevesi 2008).

Interviewed for the same documentary Hammer himself pointed to an even wider use of his ideas by expressing regret to not have negotiated a commission on all the fees management consultants generated from latching on to the reengineering concept, which he estimated to be “well in the billions of dollars.” A vice president of Capgemini, a large consulting firm, indirectly confirmed this approach – referred to by an academic study as “hitchhiking on a hype” (Benders, van den Berg, and van Bijsterveld 1998) – stating that they always tried to spot “the next wave.” Some of these firms apparently not only looked for new ideas but also tried to boost them by buying thousands of copies of their books themselves in order to drive up their rank on best-seller lists (Micklethwait and Wooldridge 1996: 23–24). The representative of another of the large global consulting firms, Andersen Consulting, now Accenture, also stated that annually his firm received three million applications from want-to-be consultants worldwide – sounding very surprised himself: “When I heard the number, I fell off my chair.” Perhaps most stunning, these actors have even succeeded in penetrating the Vatican, where a recent observer noted the presence of “a group of M.B.A.

types speaking English” and pointed to the reliance “on major companies from the capitalist world: McKinsey, Deloitte Consulting, EY (formerly Ernst & Young)” for the management of its finances (Stille 2015) – with Pope Francis himself turned into a kind of rockstar by the global media.

Again, this is even more surprising when going back in time. Take another interview from the historical part of the documentary mentioned above: an engineer, who was hired in the early 1930s by Bedaux, then the largest global consulting firm – employing just over 200 efficiency engineers in offices in the US, the UK, France, Italy, and Germany (Kreis 1992: 157; Kipping 1999: 197–198). The number sounds ridiculously low today – even when taken relative to the size of the corporate economy. More surprising, even if probably told jokingly, is that, rather than admitting to joining a consulting firm, he preferred telling his mother that he was hired as a pianist at the local brothel (Films of Record 1999: Part 1). Or take famed Stanford sociologist Thorstein Veblen, who in 1918 compared departments of business to departments of athletics and categorically stated that neither of them should have a place in “the corporation of learning” (Veblen 1918: 209–210). University presidents must be glad not to have listened to him, since business schools nowadays tend to be the most popular – and richest – parts of many academic institutions.

How did this change? When did it become not only acceptable but *desirable* to be a business graduate or to join a consulting firm, and since when did executives look at business books sold at train stations and airports to tell them what to do? In other words, when and how did what today are called business schools, management consultants, and business media become taken-for-granted and gain such definitional power over management? This book will trace this process from the origins of these actors to their authoritative role today. As such it will also contribute to the story of the expansion of management itself, since both developed largely in parallel. *Defining Management*, the title of this book, in that sense has a double meaning: On the one hand, it refers to the current ability of these actors to define what “good” management is. On the other hand, it points to the role these authorities have had in the process of management becoming ubiquitous. To examine this process of authority building, the book takes a perspective that is historical, comparative, and integrative by:

*Looking at developments over time*, since it does not take the authority or even legitimacy of these three sets of actors as a given, but shows how they were constructed gradually since the late nineteenth century. The historical narrative is subdivided into four parts, with the two World Wars and the 1980s, when most of the globe was opened to capitalism, providing important transitional and transformational periods with respect to all three authorities.

*Comparing their trajectories in different countries/regions*, since these authorities did not develop in the same way around the world, but saw the emergence of a variety of models and patterns, which were also transmitted across national boundaries. This helps identify those models that eventually became dominant

## 6 Introduction

and to understand how they developed. Tracing these developments in some detail also contributes to understanding the depth at which these models took hold outside their own countries.

*Integrating the narratives for all three sets of actors*, building on the so far isolated literatures for each of them, supplementing them with original evidence, when necessary. This allows not only to identify parallels in their respective developments, but also to look at their interrelationships, ranging between competition and cooperation, as well as the permeability of their boundaries, namely regarding individual actors moving across two or more of the authorities.

*Defining Management* can be read in conjunction with the histories of business and/or those of management thought mentioned above. The book can also be read on its own, because it summarizes these literatures in Chapter 2 and, throughout the remainder, also links back to the broader economic, social, and ideological contexts, in which these authorities evolve. Chapter 3 presents the approach taken in the book, illustrated with selected examples.

The core of the book, Chapters 4 through 15 subdivided into Parts I to IV, traces the rise of the authorities and the concurrent expansion of management. This core is structured in a way that allows what could be called modular reading. The four parts reflect, as mentioned above, a periodization based on broader developments from the late nineteenth through the twenty-first century. Each part contains three chapters respectively addressing business schools, management consultants, and business media. It is therefore possible to proceed in an integrated fashion by reading about all three authorities in one period and then move on to the next. Alternatively, one can read all the chapters for one of the authorities through all periods and then do the same for the other two. In turn, each chapter is subdivided into sections based on the main structuring features of each of the authorities: For business schools, these sections compare the developments in the United States to those elsewhere, mainly Europe; for management consultants, they distinguish their origins, namely in engineering, accounting – later including IT, and “professionalism” – mainly grounded in a mimicry of law firms; for business media, they examine, respectively, the development of book publishers, the business press, and academic journals.

Finally, Chapter 16 provides answers – some more tentative than others – to the fundamental questions raised in this introductory chapter, summarizing how business schools, management consultants, and business media gradually came to be taken for granted and to define management.

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# 16

## CONCLUSIONS

### Commoditizing Management?

This book has aimed to address three interrelated questions regarding business schools, management consultants, and business media, asking when and how these three sets of actors (i) became institutionalized, i.e., taken-for-granted within economically developed or developing countries; (ii) started to be seen as “authorities,” i.e., having their views on management being widely accepted, including by practicing managers themselves; and (iii) contributed to the expansion of management and the belief that everything can be managed. Conceptualizing these sets of actors as “organizational fields,” the core of the book used a historical, comparative, and integrative approach to provide an in-depth overview of the emergence, development, and changes for each of these fields over four externally defined periods from the mid/late-nineteenth century through World War I, then through World War II, next to the early 1980s and finally into the twenty-first century. This chapter summarizes the processes of institutionalization and authority-building identified for business schools, management consultants, and business media over the whole century and a half, discusses their contribution to the expansion of management over the same period and its current outcome, and offers some very tentative considerations for their possible role in the future.

#### **Processes: The Trajectories of the Three Fields**

##### ***From Survival to Legitimacy and Authority***

As noted at the beginning of the book, none of the three sets of actors could expect to be taken for granted from the outset. All of them faced various degrees of difficulty in asserting their right to exist, let alone become an accepted, integral

part of the relevant *extant* organizational fields, i.e., higher education for business schools, accounting as well as engineering for consulting, and publishing for business media – fields that themselves continued to evolve. It was even more difficult to take the next steps from mere acceptance to gaining their own legitimacy as clearly identifiable and respected organizational fields and, ultimately, the ability to exercise authority over management practice by (i) turning *business school* degrees into a near-obligatory passage to managerial positions, (ii) having the advice of *management consultants* accepted voluntarily and on a regular basis by powerful executives, and (iii) being considered *business publications* with relevant and reliable information and guidance for managerial decision makers or high-quality research for management scholars.

To be sure, having such authority does not necessarily mean that these sets of actors provide the “best” education, advice, or guidance, leading to superior decisions and better practices. It only means that they have become taken-for-granted, even indispensable in these roles. To give more specific illustrations: an MBA degree, particularly from a prominent business school, is often considered as a ticket for senior management positions – regardless of the particular person’s actual skills. Similarly, managers will at times hire consultants to justify already planned changes or even enhance their own position within the organization – which only works if consulting advice in general and the particular consulting firm are widely seen as legitimate “authorities” in these matters. Likewise, an endorsement or a critique from a well-known management author or a business paper might influence a company’s reputation and even its stock price – independent of the underlying fundamentals, with Enron as a case in point.

So, how did they do it? The way these three sets of actors succeeded in becoming accepted originally was, in a nutshell, by drawing on – and largely imitating – extant templates or forms of organizing in their respective institutional and national contexts. This was not dissimilar, for instance, to the way in which Edison replicated extant systems and practices of gas lighting to make his electric lighting acceptable – leading to not necessarily the most effective, but still enduring outcomes, like the use of lamp shades (Hargadon and Douglas 2001). Once accepted, these fields then associated themselves with broader societal logics and their related discourses to cement their definitional power, with the – once again, evolving – notions of “science” and “profession” playing particularly prominent roles. Based on these broader notions they created and, if necessary, changed vocabularies and images that developed their own dynamics in terms of shaping behavior but also lingered even as practices moved on. This explains for instance the continuing use of the MBA label, even if the subject of study is no longer accurately captured by “business *administration*” – originally chosen as a parallel to the then well-respected “public administration”; or why consultants continue to refer to themselves as “professionals” and their senior managers as “partners” – labels drawn from the practice of the earlier established law firms.

More specifically, what today are widely and globally referred to as *business schools* faced a double challenge at their inception: In the national contexts in which they emerged, on the one hand, they had to distinguish themselves from the large number of for-profit or secondary schools that had been founded to supply the growing number of businesses with vocationally trained personnel. On the other hand, their claim to provide “higher” education was met with skepticism if not rejection within the higher education field, where they sought their place. The solution – which varied according to their contexts – came by latching on to extant exemplars. In the US, this meant claiming to be a “professional school,” following the model set by law and medicine, which had already become part of universities. Among the early movers in Europe, in France the aspiration was to become like the engineering *grandes écoles*, which were already occupying a central position within the higher education field in training the country’s elite in public and private realms. In Germany, by contrast, the way to gain acceptance and legitimacy was to emulate the university with the accompanying attempt to develop a science – though one that would purportedly help to solve practical problems.

To go beyond sheer survival, which was not assured as some earlier failures and the initially low student numbers attested, in the US they turned to claiming “higher aims” such as a sense of public responsibility and service to society to be inculcated in business people. The school of business at Harvard that was moving to the center of an expanding and increasingly structured field was most vocal in this respect – its “professional” model, despite allusions to science, was inspired by the school of law. In Germany, the *Handelshochschulen* were initially established as stand-alone schools, but never gave up on their scientific aspirations and, within less than three decades, became incorporated into universities as faculties of *Betriebswirtschaftslehre* (BWL). After World War II, a similar – albeit not consciously copied – association with “science” became the main foundation of claims to authority by business schools in the US, accompanied by the increasing prevalence of the view of management as a “science-based profession.” Subsequently, the salience of science and the science-based view of management gradually spread from the US to most other parts of the world, helping business schools and business graduates to gain a similar aura and legitimated authority. It is important to note that the “science” notion was never exclusive or universal. The law-inspired model promulgated by the Harvard Business School since the interwar period also persisted – with HBS and its various “clones” still commanding wide recognition and prestige, and the associated case method having become the most popular way of teaching business.

The early *management consultants* were both in a more fortunate and, at the same time, less enviable position. Those giving advice to the growing number of ever larger businesses emanating from the industrial revolutions tended to have a background in either accounting or engineering – similar to those directing them. As these were established professions, legitimacy was not really an issue. But at

the same time their advice remained marginal and largely “hidden,” mainly confined, for the accountants, to specific situations such as restructuring after bankruptcy or, for the engineers, to more technical questions – illustrated quite tellingly by Taylor’s international fame originally being based on his development of “high speed steel.” A breakthrough came for the latter with the claim to make management “systematic” and, even better, “scientific,” combined with promises to resolve the tensions between managers and workers and the ills of the capitalist system more generally. Scientific management and the associated methods eventually faded but the association with “science” was revived on a regular basis: First, after World War II operations research propelled firms such as the Stanford Research Institute and Arthur D. Little to the forefront; then, since the 1980s IT-based and data-driven management helped the accounting-based first movers and a variety of IT-based firms become such large actors within the field.

But, like in the business school field, “science” was not the only way to legitimacy and authority. To distinguish themselves from scientific management and some overly aggressive commercial providers, a group of other, more broadly oriented often so-called business survey firms sought recognition by building a “professional” image since the interwar period – initially still in association with the extant professions as apparent in James O. McKinsey’s description of his firm as “accountants and management engineers.” They succeeded, also commercially, during and after World War II by mimicking the structures, practices, and behaviors of the legal profession – similar to and in partial symbiosis with the surging Harvard Business School. McKinsey and others also took this model with them when expanding abroad since the 1960s, spreading a “professional” terminology and imagery that is now used globally even by the recently dominant firms with a “science,” i.e. IT orientation – cementing their own position at the top of the field’s structure. Another interesting and revealing parallel between HBS and McKinsey is their growing network of alumni – many of them actually “graduates” of both. This, in addition to their image, helped them weather recent scandals and, more importantly, extended their authority beyond business into all walks of the economy, polity, and society at an ever more global scale.

In terms of *business media*, the early movers could also rely on already established fields and organizational forms and practices. Thus, it was mainly the book publishers with a focus on science or literature, such as Wiley, Harper, Macmillan, and McGraw-Hill, that added a limited number of business-related titles to their lists – initially with a focus on engineering and then scientific management, while those which focused almost exclusively on business, such as the Ronald Press, published predominantly on accounting. The same is true for academic outlets, where those wanting to publish on business-related issues had to rely on journals in established academic disciplines, namely in economics, psychology, and statistics. An exception was the German *Zeitschrift für handelswissenschaftliche Forschung* founded in 1906, which struggled however to find both contributors and subscribers. Additional journals specifically oriented toward business had to

wait, in the US for example, until the interwar period, when in 1922 those schools based at highly reputable universities, respectively Harvard and Chicago, launched the *Harvard Business Review* and the *University Journal of Business*, mainly to provide publication outlets for their own faculty members.

In contrast to academic journals, the business press developed much earlier on both sides of the Atlantic with the foundations of two dailies, the *Financial Times* and the *Wall Street Journal* in the 1880s, and two periodicals, the *Economist* and *Forbes* in 1843 and 1917, respectively. Their challenge was a different one. Capitalizing on a growing interest in economic information, particularly about the stock market, they tried to distinguish themselves from the extant general press – most visibly the *Financial Times* by printing on pink paper. Their circulation numbers originally remained low though, only picking up during the stock market boom of the 1920s and, even more so, following the Great Crash of 1929, when a number of additional titles were launched – possibly driven by a sensationalist interest in the fortunes of the stock market, the health of the economy as well as struggling or bankrupt companies. These interests – and their readership – increased further after World War II and the popularization of stock ownership since the 1980s – making the *Wall Street Journal*, for instance, the newspaper with the highest circulation in the US.

The authority of business schools, management consultants, and business media has not remained unquestioned though. Thus, there have always been doubts about the quality of education provided by these schools and the strong association with science did not quell them, but raised the issue of how rigor could be combined with relevance, or not – an issue also directed at the majority of the growing number of academic journals. And as soon as management consultants became more visible, the question was raised why they were needed at all. Since the 1990s, “consulting bashing” even became a kind of management fashion of its own. In that respect, both the business press and popular management authors have also been chastised for too easily embracing ideas or celebrating companies that eventually proved a failure or a fraud.

### ***Toward a Single US-dominated Global Model?***

Today, the three fields have become increasingly international rather than national in scope; their terminology is almost exclusively in English and derived from the US model. The best examples are probably the labels “business school” and “MBA,” which nowadays have replaced or are used as addenda to names or acronyms of schools in native languages. Most of the dominant actors among business schools, management consultants, and business media are also of US origins. This is very evident in the rankings of business schools and their programs: those by US journals or magazines tend to either only rank US schools, ignoring the rest of the world or listing the ones from outside the US separately – with only the UK-based *Financial Times* providing an integrated global ranking. The

same is true for accreditations, where the US-based AACSB has many foreign accredited schools and members, while its European counterpart EQUIS is all but absent from the United States. Likewise for management consulting, where the overwhelming majority of the largest and most visible firms today are of US origin and where even ideas generated elsewhere were disseminated by these firms – as was the case for Japanese management techniques reaching the West via US consulting firms. In the business media field, today the majority of books are in English, despite a few major publishers being based in the Netherlands and Germany. The same is true for the business press and for the highest ranked academic journals – with all of the latter in English and 31 out of the 45 journals on the *Financial Times* list as well as 17 out of 20 on the *Business Week* one based in the US.

Such US dominance was not a given. At the outset, alternative models existed and they influenced others, in some areas more so than the US model. This was clearly the case for the origins of today's business schools, where the US "professional school" model was rather unique, while the German model in particular – both for the stand-alone *Handelshochschulen* and for the university-based BWL faculties – was copied widely, namely in the Nordic countries, the Southern and Eastern European peripheries as well as in Japan. Similarly, in the early twentieth century Taylor's ideas were widely and often enthusiastically received elsewhere, but their application remained very limited and there were also local alternatives like Henri Fayol's broader conception of a manager's role in France and alternative ways of disseminating "rationalization," like the German RKW and REFA associations. Business publishing was also nationally based for much of the nineteenth and part of the twentieth centuries – not least for linguistic reasons. And in terms of international projection, Germany was again an early leader, the first to launch business-related academic journals and Eugen Schmalenbach's books being quickly translated into many languages.

So, how did business schools, management consultants, and business media become so international and US-dominated? The answer, once again, has to do with what could be called "piggy-backing." The increasing economic, military, and political superiority of the United States, especially since World War II, clearly brushed off on all three authorities. There is also the sheer size and attractiveness of the US market, which helped local actors and drew in foreign entrants, who then often became "Americanized." In addition, since the interwar period there was direct support for the US-based actors – through individual initiatives, networks, and private foundations as well as the US government and its various agencies, in particular during the 1950s and 1960s and then again following the fall of the Berlin Wall in 1989. And there were US multinationals, which served as a "bridge." The leading US actors within the three fields also expanded or, in the case of business schools and notably Harvard Business School, created "clones" around the world after World War II. Following organic growth as well as a succession of mergers and acquisitions, the major management

consulting and business media firms are today large multinationals, many of them headquartered in the US but competing with each other globally. While business schools remain predominantly nationally based, rankings and accreditations as well as the flow of students and graduates have also created a single, international field, where the large US actors naturally dominate.

In terms of origins of today's *business schools*, during the first half of the twentieth century European stand-alone commercial schools – and BWL faculties in Germany or commerce ones in the UK – co-existed with the university-based “professional schools” in the US. But following World War II and with US economic, military, and political supremacy behind them, US business schools were readily behaving like and becoming accepted as authorities internationally. They were prodded and funded by US aid agencies and philanthropic organizations, such as the Ford Foundation, to go to other parts of the “free world” to teach business and to demonstrate how business education needed to be carried out. The “New Look,” science-based business school, created in the US during the 1950s, further reinforced that dynamic and accentuated the position of the United States as the world's center in educating for and researching business – even if its actual influence remained constrained in various ways during the subsequent decades. Diffusion accelerated again since the 1990s largely due to the concomitant spread of US-based institutions such as accreditations and rankings. It was also associated with the increasing international influence of US higher education models more broadly, including the increasing recognition of the master's as a distinct degree or the pressure on universities to generate their own income.

From the outset, *management consulting* was an American invention, even if the establishment of a recognizable field took quite some time even in the United States with Harrington Emerson establishing the first multi-office firm before World War I. Similar firms set up by other Taylor followers and competitors and, even more so, the one founded by Charles E. Bedaux in 1916 eventually created the field in the US and also kick-started national fields elsewhere in the world through the offices they established there – and the local spin-offs they engendered, which remained and grew as most of the former returned to the US at the outset of World War II. But it was the “management engineers” of the interwar period and the “professional” model they created and exported to Western Europe and other parts of the world since the 1960s that cemented US hegemony not only in terms of the consulting services they offered but also in terms of the predominant *image* of a management consultant, including their look and behavior – and in the process gradually unified distinct national markets. This image prevailed even as some of these firms faltered and became marginalized by the consulting giants descending from accounting or IT-service firms, most of which tend to have their main origins in the US and/or UK and today operate in a globally distributed way – with their outsourcing services and many back office functions located in India.

*Business media*, by contrast, have early roots in many of the developed countries with publications mainly in native languages. Some international diffusion of business-related publications occurred at the outset in English, French, and German, mainly due to the lack of publications in the national language at the time the new schools of commerce were founded. For instance, when the Stockholm School of Economics started in 1909 almost all the literature was in German. At the same time some publications from the US were already translated into national languages – with Frederick W. Taylor the prime example. Later on, English as a working language has become more or less taken for granted and translations have become less frequent. However, to reach broad audiences around the globe, some publishers bring out international or European editions in order to somewhat play down the increasingly US-dominated contents of their books. The Anglo-American dominance is also noticeable in terms of the majority of the large multinational business media companies having their origins and/or headquarters in the United States and even more so, when it comes to the leading academic journals, which, as already mentioned, are all published in English and have their editorial base mostly in the US. As business elites are becoming more global, especially those working within large multinationals, they are increasingly reading popular management books and the international business press in the English original – also due to the increasing need for immediacy satisfied by online editions, hence reinforcing the Anglo-American dominance of the field.

Again, a word of caution is necessary here. Business schools, management consultants, and business media are not entirely global and some of their dominant actors are not based in the US or even the UK. Suffice to point to INSEAD or IMD among the highly respected business schools, even if their language of instruction is also English; to the Canadian CGI, the French Capgemini and even the German Roland Berger among the leading consulting firms; and Elsevier, Wolters Kluwer, or Bertelsmann among the globally active media conglomerates. And there are, for all three fields, a myriad of smaller actors, most of which have never appeared and will never appear on any business school rankings or lists of the largest firms in management consulting and business media. They continue to play highly salient roles in providing localized business education and management consulting services or nationally specific textbooks (Engwall 2000) or business news (Grafström 2006) – albeit often copied from the major global models and providers (e.g., for consulting Crucini and Kipping 2001).

### ***From Missionary Zeal to Market-orientation***

Not only are these three fields increasingly global and dominated by US models and actors, these actors are also largely – or at least increasingly – driven by a commercial logic: many business schools supplement tuitions and external donations as well as, in many cases, government funding with income from executive

education; consulting firms charge exorbitant fees, even for their most junior staff members, while exploiting global salary differentials, for example, between India and the West; and publishers monetize the quest for ever more journal publications with expensive subscription rates for bundles of these journals. At the same time many actors today are involved in more than one field: business schools not only offer undergraduate or graduate programs but also provide tailor-made executive programs, and allow, or sometimes encourage, professors to do consulting – with some even publishing journals and books; many consulting firms not only provide advice but also publish books and (online) journals and have become involved in running business schools through their alumni; and business media multinationals not only supply textbooks or have to a considerable extent taken over the academic journals from professional associations, they also measure research output through proprietary systems like the Web of Science or Scopus and rank business schools in their newspapers and magazines.

Money was not always the goal – or at least not the primary one. Many of the schools of commerce also espoused a civilizing mission – especially but not only in contrast with the private, for-profit schools. And, they aimed at elevating the status and the societal consciousness of businessmen. Many of the early consultants were driven by a missionary zeal for betterment seeing consulting only as one way to disseminate their ideas. And similar ideas were disseminated very successfully in Germany through inter-firm cooperation mediated by associations – with associative channels also present, albeit less predominant, in many other countries, including the US. Publishers certainly looked for commercial viability but, as mentioned, many of the early business journals and newspapers struggled and were kept alive out of interest. Academic journals in general were originally launched by professional associations or universities for intellectual rather than profit motives. And while individuals, such as Frederick Taylor or Lillian Gilbreth, continuously crossed boundaries between fields, this was mainly to spread their ideas – not to “colonize” other fields, like many multinational actors do today.

Again, how did this happen? When did the dissemination of management knowledge become an “industry,” dominated by big business? Part of the explanation can be found in the broader context, which has become increasingly market driven, in particular following the global triumph of capitalism since the 1980s. Part of it is linked to the process of Americanization discussed above – since the context there has always been more commercial or market-oriented, also due to the less important role of the state. This did clearly affect the business schools, many of which had to raise their own funds. It also affected the consultants in a rather interesting way with the federal government in the US becoming a user of consulting services from the early days, consequently providing an important additional market for these consultants and implicitly furthering their commercialization. As for the business media, the global conglomerates developed efficient systems for manuscript handling, bibliometrics, and marketing,

which many professional associations found attractive and therefore left the handling of their journals to these companies. In addition, the latter, often after being approached by specialized researchers, started a number of new journals. Consequently, the media giants got a rather firm grip over scientific publishing and were rewarded by high profit margins. The internationalization of the fields and their increasing colonization by actors from other fields during the most recent period also seems to have played a role. It increased competition and hence forced a greater market-orientation onto the various actors.

Almost everywhere many of the predecessors of today's *business schools* had to contend with questions of demand and revenue generation from the outset, as they were entering either a tuition-based field as in the US or were private initiatives like in Germany and France. Such concerns persisted throughout most of the twentieth century to the extent that these conditions prevailed. The rise of a commercial logic has been most notable from the 1990s onwards, starting in the US. The increase in market-orientation was driven, on the one hand, by cuts in public funding and, on the other, the advent of the rankings. As a result, US business schools were becoming more dependent on student tuitions, donations, and executive education as well as having to operate in an environment that was now more competitive – not only nationally but internationally as well, due to the increase in the prominence of some foreign business schools. A greater commercial orientation also spread to countries where similar conditions prevailed such as the UK or where schools were predominantly in private hands, like in France. And among these, a commercial logic pervaded in particular the business schools that were associating themselves with an international identity, aiming to compete not only amongst themselves but also with the ones in the US – prompting these schools as well as many in the US to turn toward entering into alliances or opening branch campuses in other countries.

During the early twentieth century, commercially driven, market-oriented *consulting* was the exception as a vehicle or carrier for the dissemination of scientific management, not the rule. Most of the pioneers saw it as *one* of many ways to spread their gospel. But a growing number of actors did identify it as a business opportunity, among them first and foremost Charles E. Bedaux and, in a much more aggressive manner, George S. May. The former also took this logic abroad with new offices often leading to local spin-offs, hence more competition and a further spread of the commercial logic. But even Bedaux's success was limited and in a number of countries consultants played a minor role – with Germany probably the most extreme case, since associations such as REFA largely monopolized dissemination, namely by training vast numbers of work study engineers. Other countries, including Soviet Russia, China, and Japan, had comparable arrangements – at least for some time, and similar associations could also be found elsewhere, namely in France and at the international level. The commercial logic prevailed though and expanded more significantly since World War II – initially hidden behind the mantle of professionalism with spin-offs once again playing an

important role. It came fully to the fore since the 1980s and 1990s, when consulting projects – and the firms providing them – became much larger and a part of numerous external services contracted by their clients. At the same time, the dangers of an excessive focus on commercial success also became apparent – in particular through the Enron case, but ultimately did little to question, let alone roll back the now clearly dominant market orientation.

The *business media* too has long since had a commercial logic. However, publishing companies also have traditions as cultural institutions, i.e., aiming to contribute to culture through the publication of fiction authors or, depending on the context, for the church. The university presses in Cambridge and Oxford, for instance, which nowadays are quite active in management publishing, were once standing on the publication of bibles. Or take The Free Press; founded to publish books on civil liberties, it eventually took on Michael Porter's (1980) *Corporate Strategy*. Publishing management titles – i.e., business textbooks, business periodicals, and, more recently, academic journals – can therefore be considered as a turn toward a more commercial logic. Some successful textbooks, like those by Philip Kotler on marketing, have become veritable money machines with edition after edition, year after year. An additional sign of this stronger commercial logic is the fact that successful smaller publishers became attractive for the growing media conglomerates leading to the numerous acquisitions in the field. Reports on profit margins also demonstrate that the business model of the global media conglomerates is quite successful, apparently in particular for the academic journals. Their relative standing is continuously manifested through impact factors, which provide a power base both in relation to the research community and their libraries that are urged by faculty members to subscribe.

Again, despite the obvious triumph of markets and commercial logics in all three fields, some words of caution are in order. Like so often, there are still other logics in play. Thus, while hiding a commercial orientation, ongoing appeals to “science” and to “professionalism” do act as a kind of brake on the former's excesses in both business schools and management consulting firms. And there are still some collective arrangements within consulting, for instance with the various research institutes in Japan – originally established based on the template of the Stanford Research Institute. Similarly, there continue to be academic journals in business and management that are run not by commercial publishers but by professional associations – with some of the latter even launching new titles recently.

### **Outcomes: Turning “Management” into a Global Commodity**

What this book has also tried to do – in addition to tracing the trajectories of business schools, management consultants, and business media toward their current position as highly visible and relevant “authorities” on management – is to gauge their respective contributions to the expansion of management itself – leading to a situation, where management today is everywhere, and has become

what could be called a “commodity.” Tentatively, the developments of the three fields presented in this book do suggest that they have indeed contributed to this process of commoditization.

Part of this process was a linguistic one, and it is here where their role in the expansion of management and their definitional power is probably most apparent. Thus, US *business schools* again had an important part to play in popularizing the idea of “management” – though they were rather late in fully embracing the term. That this did happen was associated partly with “management” gaining an identity as a separate discipline in the US, like finance and marketing. This was perhaps best indicated by the founding of the Academy of Management in 1936. Concomitantly, authors from US business schools associating themselves with this developing speciality began to publish books in the 1950s where management was framed as a top level activity engaged with the task of running the entire enterprise, which subsumed all functional activities such as finance, marketing, and personnel. With this approach the idea of the general manager began to spread, i.e., that there is some general management knowledge that can be practiced in any type of organization irrespective of its environment, technology, or history. Consequently, management began to be used in ways that were detached from its traditional association with business and, by the 1970s, there was a broader acceptance of the view that what business schools were doing was “management education” – and a few of them even changed their name to “School of Management.” This interpretation of management as a more encompassing task relevant for and applicable in all kinds of organized activity, paved the way for the expansion of management into almost all realms of life, particularly from the 1990s onwards.

*Consultants* embraced the term “management” much earlier than business schools. As discussed in detail, the first visible and conscious development of consulting activities was related to “scientific management” – even if its remit was originally limited to the management of the shop floor, trying to improve the productivity of individual workers. But its proponents quickly extended their ambitions and activities from the shop floor to the office and to public administrations and even society as a whole. They nevertheless kept calling themselves efficiency or consulting engineers rather than management consultants. It was another group, offering more comprehensive business surveys, that used the term management for self-description since the interwar period – originally in the combination “management engineer.” Occasionally since the 1930s and consistently after World War II they started to refer to themselves as management consultants and to their activity as management consulting or management consultancy in the UK – also to shed any association with the earlier focus on the shop floor and efficiency improvements. Consultants, it should be noted, were also involved in spreading management terminology to their clients – obviously in conjunction with the organizational changes they suggested to these clients, but also, and less well known, in spreading the language and the underlying concepts through their publications, with McKinsey, for instance, handing out *The Will to Manage* by

Marvin Bower (1966) to their clients or promoting the need for bankers to become managers in the pages of its *Quarterly* (for both, see Kipping and Westerhuis 2014).

The *business media*, by contrast, espoused the “management” term much later – not all that surprising since most of their publications would reactively reflect reality, not necessarily shape it proactively. An interesting and visible turning point in this respect are the English translations of Henri Fayol’s 1916 treatise on *Administration industrielle et générale*, which by many is seen as an expression for the self-perception of modern “managers” with its insistence on planning and control. It was first translated in 1930 under the title *Industrial and General Administration* published by Pitman in London and received little attention. It was published again in a different translation by the same publisher in 1949, this time entitled *General and Industrial Management* – note not only the use of the “management” term but also the inversion in the order of the attributes! This time it did receive considerable attention, partially because of the foreword written by well-known British management thinker and consultant Lyndall Urwick. Probably more importantly, the later edition and its title seem to have fit the *Zeitgeist* portraying the notion of management, in both wording and content, as a general skill – which forms the basis for its subsequent expansion and commoditization.

The growing focus on management since World War II is also manifest in the increasing number of newly established academic journals carrying the word “management” in their title. The early ones, such as *Management Science*, founded in 1954, the *Academy of Management Journal*, founded in 1958, and the *Journal of Management Studies* (1964) had a number of followers in the 1970s and 1980s such as the *Journal of Management* (1975), the *Strategic Management Journal* (1980), the *European Management Journal* (1982) and the *Scandinavian Journal of Management* (1984). These journals were established in the 1950s and 1960s, after management became a separate, identifiable discipline (see above). As for the business press, they have maintained their original titles from a time when “management” was still associated with running a household and cooking. But the few more recently founded periodicals, like the German *Manager Magazin* established in 1971, confirm that management had become a more widely used and encompassing notion – and also advantageous for selling copy. Incidentally the German edition of the *Harvard Business Review*, published since 1979 is called *Harvard Business Manager*.

In addition to their relatively clear – but somewhat uneven – contribution in spreading the “management” terminology, the three sets of actors can also be seen to have played a role in expanding management as a practice and as a social group. Thus, in terms of the *business schools*, there has been an explosive growth of the MBA, purportedly the ultimate degree for “knowing” about management, beginning in the US after World War II and then since the 1980s in many other parts of the world. And, as was mentioned in Chapter 1, their graduates now appear to have penetrated even the Vatican. Today, given the scale that undergraduate programs and the MBA have reached with an expanding range of part-

time and executive versions, “knowledge” about management has clearly been turned into a commodity – not only in the US but in many other places too. As a result, even the MBA is by itself no longer a ticket for senior management positions, which nowadays appears to be confined potentially only to the graduates of the most prominent business schools – or those who have spent some time at one of the elite consulting firms.

For *consultants*, they appear instrumental in spreading management as a practice from early on. Thus, with respect to scientific management, they developed and deployed systems that clearly had separate and identifiable roles for those supervising and those executing – systems they, together with the separation between managers and workers, spread from factories to offices and to all kinds of private and public organizations. The subsequent type of consultants, initially called “management engineers,” went even further in terms of spreading organizational templates, and in particular the multi-divisional or M-form, that required an increasing number of managers with different levels of decision-making authority, for which the consultants also created systems for the organization to incentivize and control them. Driven by their own – veiled or open – commercial interests, consultants pushed hard to introduce these templates in many sectors and many countries, in particular during the post-World War II period, thus helping to expand the number of managers within organizations and as a social group. Their role in expanding management is somewhat more complex in the most recent period, when the large accounting- and IT-based consulting firms now dominating the field clearly commoditized their own services – namely through the creation of elaborate knowledge management systems (e.g., Hansen, Nohria, and Tierney 1999). But these services were often designed to sort of automate tasks formerly carried out by middle managers – or outsource them, with outsourcing actually spreading management even further afield.

The *business media* have clearly played a significant role in turning management into a global commodity. Before World War II the publishing of business books was relatively limited, circulation of business media was at rather low levels and the academic journals in the area were few. In contrast, after World War II publishing of books, circulation figures, and the foundation of academic journals took off in an expanding market for business education, business news, and academic publishing. In this process, as pointed out above, US actors came to play a particularly significant role by stimulating a demand for textbooks, popular books, newspapers, periodicals, and academic publishing. An important part of this process was an increasing spread of the idea of the general manager, i.e., that any organization – such as a bank, a hospital, or a university – can be run according to the same principles as a car manufacturing company. In this way business media have penetrated into wider and wider circles. This process has also been reinforced by an increasing interest in financial news in media of all kinds, not only the traditional newspapers and periodicals, but also on the radio, television, and more recently all sorts of information technology solutions. Among the latter

it is particularly worth noting the links between business media and markets for economic information. The link between the *Wall Street Journal* and the Dow Jones index has a long history, and very recently the Japanese stock market index Nikkei has created a similar link by acquiring the *Financial Times*. And for management research, the information systems for scientific publications developed by Thomson Reuters and Elsevier are contributing to its commoditization.

### Final Considerations: Better Ways?

This book has shown how business schools, management consultants, and business media succeeded in gaining not only legitimacy as actors but also significant authority to define what “good” management is or should be. As organizational fields they are today marked by US dominance and a strong commercial logic. It is also apparent that through this process of authority building and with their current definitional power these sets of actors have contributed to the expansion and, ultimately, commoditization of management – most clearly in spreading the term and a whole language of management but apparently also in terms of an extension of the various realms to which these ideas are thought to be applicable and, the related growth of managers as a social group. The remaining question is whether this is a good thing or put more specifically: should these actors be so ubiquitous and powerful?

There are actually many voices that would answer no, with sometimes quite stinging criticisms levelled in particular at the business schools and consultants almost from the get go. Critiques of the former have tended to revolve around striking a balance between the practical applicability required by their target audience and their own quest for recognition in the research-driven superordinate field of higher education. The resulting goal conflict seems difficult to resolve – a difficulty attested to by the longstanding debates about rigor vs. relevance. What could be done is to rethink the ultimate objective of managers in general and the education necessary to achieve it. Its historical trajectory, as recounted in this book, offers possible ways forward in this respect. On the one hand, this might mean relinquishing the long held claim of being a professional school and the underlying idea of management as a profession and revert back to the earlier days of seeing it as a preparation for specialist careers in business, where some general management knowledge and skills are combined with more specialist instruction to prepare for or complement extant professions. This exists already in joint MBA/Law degrees or business school courses that are also counted toward professional exams but could easily be extended to other areas such as health care or project management and grown more generally – ultimately dispensing with the MBA as a general management degree. On the other hand, one could also revive the idea of the liberalizing mission of the original schools with the aim to educate “better” people and hence lead to managers making more socially responsible decisions. Going into this direction would restore some of the

moral authority that managers have lost as a result of the recurrent and most recent crises and – if taken seriously – might lead to better outcomes for business and society as a whole.

Critiques of consultants suggest, among other things, that they take advantage of managers' insecurities, sell expensive recommendations based on standardized templates, i.e., prêt-à-porter at the price of haute couture, and take no responsibility for their ultimate outcomes. Improvements might take three possible directions: one is using the growing availability of relevant metrics to actually measure outcomes and adjust remuneration accordingly – a practice already being adopted by some consulting firms, but which also carries the risk of encouraging “gaming” to improve these metrics. Another suggestion would be linked to changes discussed above for business schools. Since the latter supply the majority of consultants, more broadly educated and socially sensitized graduates would quickly change the dynamics for consulting firms as well. This would actually respond to a trend observable among millennials, who seem to care as much or even more about the social impact of what they do than about the money they make – a trend apparently already recognized by some consulting firms, which try to attract graduates by offering them to work on pro bono projects or by setting up not-for-profit consulting to not-for-profit clients. A third option would be to develop alternatives based on the exchange rather than sale of knowledge – a model that dominated knowledge dissemination during the first half of the twentieth century – and might just come back based on IT-based social networks.

As for *business media* there are a number of concerns to be addressed. They are to a large extent related to the strong concentration of the field with a few dominant actors controlling the publishing of books, newspapers, periodicals, and academic journals, all driven by a commercial logic, as discussed above. Critics have therefore questioned to what extent alternative perspectives are presented in the management literature, critical articles are printed in the newspapers and the periodicals, and non-Anglo-American research can find its way into the most prestigious journals. Obviously, the success of such alternatives depends to a significant extent on those who control both the contents and its dissemination. For instance, when selecting textbooks, it would be important for faculty members, and their students, to consider alternatives. It is also crucial that both authors and readers consider alternatives in terms of newspapers and periodicals as well as academic journals. For the latter, it appears particularly crucial that evaluations of faculty members return to a practice of assessing the contents of scientific production rather than just counting publications and citations in a select group of journals.

To be clear, the objective here is not to turn the clock back. Business schools, management consultants, and business media will continue to define management. The change should be in the kind of management that they are backing with their authority.

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