

**PUBLIC INTERESTS LOGIC, MANAGEMENT SCHOOLS AND
ACADEMICS(0242)**

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Observing that “the universities of Britain have been blown hither and thither” over recent years, Graham (2005; 26) argues that “what they have not done is to deploy their own intellectual resources to take critical stock of these changes. Consequently, they have not exhibited that very critical independence which must lie at the heart of their rationale.” Whilst those words might provide a convincing indictment of the actual activities and behaviours of university management schools, the academic literature nevertheless includes notable contributions that apply the analysis of management to universities in general and to their management schools in particular. This paper adds to that literature.

The method is to apply a line of reasoning in the heterodox economic analysis of the organisation of production, hence of socio-economic development, and to draw upon a wider literature addressing education and universities. The analysis is explicitly related to the advocacy of a public interest school of management in Ferlie *et al.* (2010) but benefits from being rooted in the rigour of Dewey’s (1927) seminal appreciation of

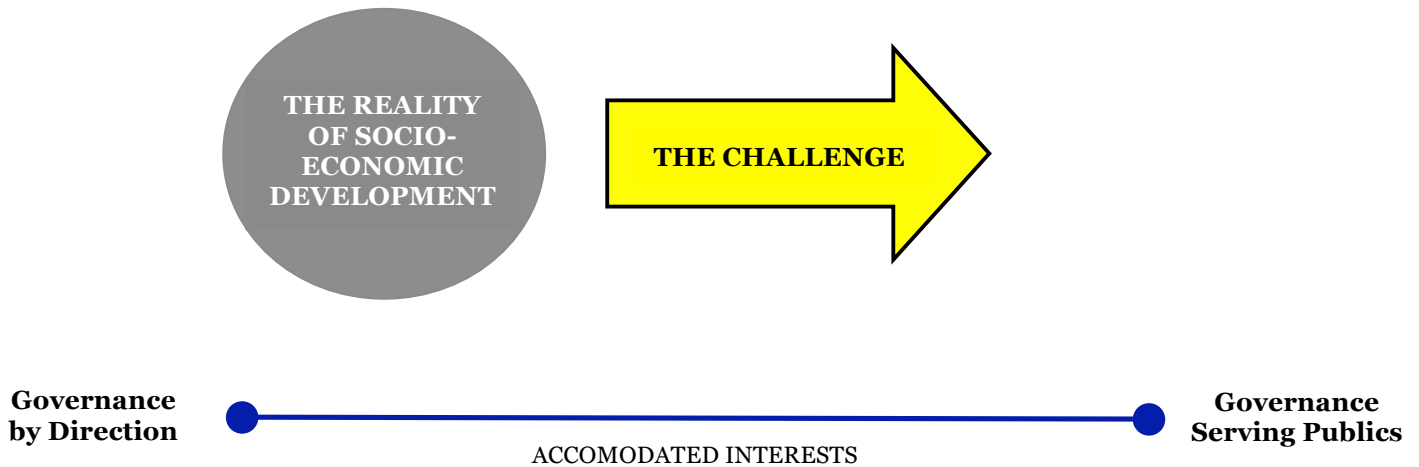
publics and their interests; and in the positioning of his analysis in the strategic choice approach to understanding the organisation and impact of socio-economic activity (Sacchetti and Sugden, 2009 and references therein).

Summarising existing literature, the paper begins with a characterisation of socio-economic reality and potential. A rigorous basis is thereby provided for a novel contemplation of an organisation for management schools and a role for academics that explicitly befits current times.

Socio-economic reality and potential

Taking inspiration from Coase (1937), our perspective is derived from a focus on the governance of socio-economic processes and systems, and the actors therein, in the sense of analysing which people make strategic decisions, on what basis and to what effect (*inter alia* Cowling and Sugden, 1998, 1999; Cowling and Tomlinson, 2000, 2005; Sugden and Wilson, 2002, 2005; Bailey *et al.*, 2006). To explore the ‘winners’ and ‘losers’ in different governance processes we consider Dewey’s (1927) seminal analysis of public interests, which we identify as a criterion for assessing socio-economic relations, behaviours and activities (Branston *et al.*, 2006; Sacchetti and Sugden, 2009). Our analysis is summarised in Figure 1

Figure 1: Current governance of socio-economic development

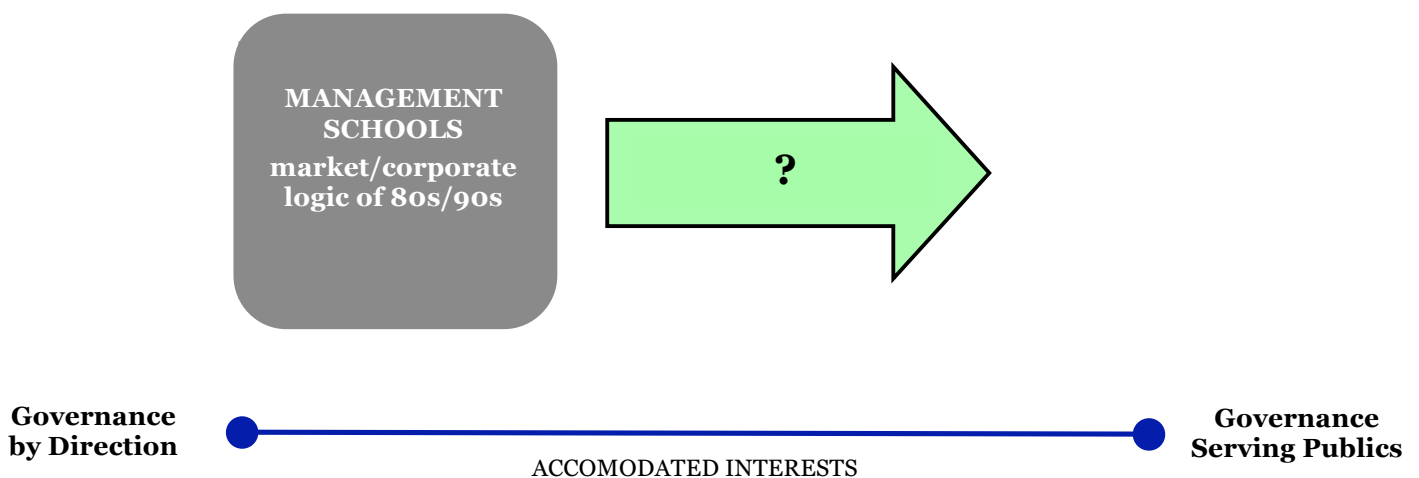


The idea underlying the spectrum is that one extreme is governance by direction, associated with the pursuit of specific private interests and the exclusion of publics, whilst the other extreme is governance serving the interests of publics. Between are degrees of direction, corresponding with degrees to which specific private interests override the interests of publics; or, viewed from the opposite end of the spectrum, corresponding with degrees to which there is a serving – i.e. an awareness, accommodation and meeting - of the interests of publics. Following Hymer (1972), Rothschild (2005) and others, current reality is depicted in the space towards the left of the spectrum, which is argued to pose a critical challenge for societies, namely: to evolve a model of socio-economic development that better serves the interests of publics. However, if people are to meet this challenge, then a suitable education system is necessary.

The organisation of management schools and the role of academics

Universities are not immune from the socio-economic contexts within which they sit, as witnessed in the 1980s and 90s by the influence of the sort of market-based economic models underlying the reality depicted in Figure 1 (*inter alia* de Boer, 1999; Sugden, 2004; Grönblom and Willner, 2009; Wilson, 2009). As for university management/business schools in particular, it has been argued that they have tended to serve market fundamentalism. Included in this, they have focused on the needs of large corporations. Currie *et al.* (2010; S1) suggest that business schools have actively promulgated the “recipe for disaster” that they see as the “neoliberal economic consensus that swept both developed and developing economies in the late 1990s and early 2000s.” An implication is that schools have tended to position themselves towards the left of the governance spectrum, as in Figure 2.

Figure 2: Public interests logic in the organisation of management schools?



In contrast, we consider the possibility of a management school choosing to adopt *Deweyan public interests logic*; it might organise itself so as to enable people to

think about, analyse and understand ways in which the interests of publics might be better served in the sense analysed by John Dewey. We analyse what this would imply, continuing to draw on contributions to the economics of the organisation of production and incorporating insights from a wider literature about education and universities.

It is argued that the primary impact of a public interests school would be to contribute to overcoming the current failures of socio-economic development, although it is recognised that much is unknown about serving the interests of publics, a realisation that identifies a critically important (research, knowledge exchange, teaching and learning) agenda. Further strategic directions for a would-be public interests management school implied by our analysis include:

- ❖ Ensuring freedom in undertaking social inquiry and in disseminating its fruits through publication, knowledge exchange and teaching.
- ❖ Providing public interest forums: spaces in which people and organisations might learn freely to inquire and deliberate, such that those comprising actual or potential publics might explore their identities and shape their interests.
- ❖ Basing engagement with people and organisations that make up actual and potential publics on particular values, including: the rejection of controlling influences; positive freedom; inclusion on equal terms; sympathy; mutual respect; reciprocity; informed participation; continuous learning; and, in certain respects, the desire to reach a consensus.
- ❖ Giving greater weight to action research but in ways compatible with academic activity; i.e. that embrace the academic's freedom and responsibility to search for

and disseminate the spirit of the truth, therefore that reject any imperative to reach a consensus on either the search or the dissemination.

- ❖ Balancing sense and sensibility in research, knowledge exchange, teaching and learning activities; in doing so, forsaking the certainty of predetermined outcomes, and placing the nurturing and stimulation of people's creativity at the heart of activity

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