

Management as a science-based profession: a grand societal challenge

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Management as a science-based profession: A grand societal challenge

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ABSTRACT

Purpose

The purpose of this paper is to explore how the quest for management as a science-based profession, conceived as a grand societal challenge, can be revitalized.

Design/methodology/approach

A reflective approach is adopted by questioning some of the key assumptions made by management scholars, especially those that undermine their capacity to inform management practice. One key assumption is that management needs to be done by a few people at the top of the organization; this idea is widespread, but false.

Findings

An important finding is that the future of the management discipline may largely depend on the rise of new forms of management drawing on distributed intelligence and circularity of power and authority. Management scholars thus need to shift their attention from an almost exclusive focus on managerial intentions and behaviors to the (development and use of new) management technologies, similar to how modern aviation technology involves airplanes that only to a limited extent require intervention and control by a single pilot.

Practical implications

The practical implications of the shift from managerial behavior to management technology are illustrated by means of so-called circular management practices, also known as holacracy and sociocracy.

Originality/value

This paper provides a novel perspective on how the quest for science-based professionalism in management, as a grand societal challenge, can be revitalized.

Introduction

Early pioneers in the management discipline conceived of management as a science-based professional activity that would serve the ‘greater good’ (e.g. Drucker, 1974; Follett, 1927; Simon, 1967; Taylor, 1911). More recently, however, most management scholars have abandoned the quest for professionalism (Hurst, 2013; Khurana, 2007; Romme *et al.*, 2015), due to what has been labeled the ‘intellectual stasis’ of management scholarship and its capacity to inform management practice (Khurana and Spender, 2012).

This intellectual stasis is alarming because, in the beginning of the 21st century, the nature and level of professionalism of management is under close public scrutiny as a result of a large number of corporate failures (Beer, 2009; Romme, 2016). Recent examples are the mismanagement of risks and a one-dimensional focus on short-term profitability observed at several Wall Street banks (which triggered the global financial crisis in 2008), Berlin Brandenburg airport, Volkswagen’s diesel scandal, and Toshiba’s accounting scandal. The global survey recently conducted by Bloom *et al.* (2016) suggests these examples are by no means exceptions to the rule: the vast majority of firms appear to be very badly managed.

In this paper, I explore how the quest for professionalizing the management discipline can be renewed as a grand societal challenge. The argument starts with questioning some of the key assumptions made by management scholars, especially those that undermine the capacity of these scholars to inform management practice. Subsequently, I will explore how the future of the management discipline may largely depend on the rise of new forms of management drawing on distributed intelligence and circularity of power and authority. Management scholars would thus need to shift their attention from a focus on managerial intentions and behaviors to the (development and use of) management technologies, similar to how aviation technology involves modern airplanes that only to a limited extent require intervention and control by a single pilot.

Challenging Key Assumptions

Our understanding of management as a (nascent) profession has become confined to the idea that management is done by a *few people* at the top of the organization (Kets de Vries, 1989; Romme, 2016). For most people, therefore, words like ‘management’ and ‘managing’ automatically evoke the image of someone in a leadership position (Romme, 2016). This archetypical image may be false, however. In this respect, professional management is as much about the evidence, tools and systems used, as it is about the human agents themselves. The widespread belief that management should be the responsibility of a few people at the top is also a major barrier in professionalizing the management discipline, because human opportunism and arbitrariness are then likely to take central stage in any management practice.

The future of the management discipline may therefore depend on the rise of new forms of management that explicitly draw on principles of distributed intelligence. These are the principles that make aviation technology so highly reliable, compared to most other ways to transport people and goods. A modern aircraft includes many thousands of sensors and signalling systems that allow the (automatic) pilot to anticipate, analyze and solve problems. The principles of distributed intelligence are almost entirely ignored by management scholars

as well as practitioners, which leads to highly unprofessional management practices in the vast majority of organizations (Bloom *et al.*, 2012; 2016).

More on the Analogy between Management and Aviation

As any analogy, the aviation example is appealing but also potentially misleading. It is appealing because it helps us to think about our profession in a novel manner. In this respect, the management discipline is often compared with established professions such as law and medicine (Barker, 2010; Khurana and Nohria, 2008) that have largely been created and institutionalized in the 18th and 19th century. Here, the analogy between management and aviation makes much more sense, because both disciplines have largely been emerging and developing in the 20th century.

The analogy with aviation as well as information systems and other “20th century” professional disciplines is also helpful because all these disciplines operate on a pragmatist understanding of the complementarity and synergy between Aristotle’s ‘episteme’, ‘techne’ and ‘phronesis’. That is, these professions thrive on the interaction between scientific, instrumental and reflective knowledge (Romme, 2016). By contrast, management scholars have been sequestering themselves in separate communities with “closed loops of scholarship” focusing on either rigor, relevance or reflection (Gulati 2007: 775). Thus, management scholars can learn from aviation that one needs to embrace a pragmatist, inclusive mindset in order to build a truly professional discipline. Management scholars need such a mindset, in order to grow their capacity to guide and inform (future) management practices.

The aviation analogy is also potentially misleading, because the current state of the art of management technology is more similar to the aircrafts developed and tried out by the Wright brothers (in the period 1903-1905) than to modern Boeings or Airbuses. Moreover, whereas the wiring of an aircraft is largely tangible, the wiring of an organization is largely human and social in nature. The (automatic) pilot of an aircraft can therefore monitor what is going on in the aircraft as well as its surroundings by means of thousands of sensors and measuring devices. But in the case of managing, each individual in the organization can (potentially) act as a sensor and measuring device—so to speak.

The Rise of Circular Management

The aviation analogy is not entirely a futurist dream. The existence of so-called circular management illustrates how principles of distributed intelligence and circularity can be applied to management. The Dutch engineer and entrepreneur Gerard Endenburg has pioneered the so-called sociocratic approach to circular management since the 1970s (Romme, 1997; Romme and Endenburg, 2006) and recently the American software engineer Brian Robertson repackaged it in terms of holacracy, or holacratic circular management (Robertson, 2015). These circular forms of management appear to ease top managers’ stranglehold on their organizations and, by extension, on organizational innovation and resilience (Romme, 2015).

Circular management implies power and leadership is distributed throughout the organization, while maintaining an unambiguous hierarchy, conceived as a sequence of abstraction rather than authority levels (Romme, 1996). This type of management practice implies people take on roles as needed, rather than anyone becoming exclusively and (almost)

permanently assigned to a managerial or any other role. Detailed blueprints of the sociocratic and holacratic approaches to circular management are described elsewhere (e.g., Robertson, 2015; Romme, 2016; Romme and Endenburg, 2006).

A few hundred organizations are now using circular management, in either its sociocratic or its holacratic version. Almost all these companies and other organizations are small or medium sized. Examples are the Dutch design agency *Fabrique* and the Brazilian agribusiness company *Terra Viva*. Large, publicly owned corporations are thus far not applying circular management—except for *Zappos* (division of Amazon) in which there is an ongoing effort to implement holacracy. Only the sociocratic approach to circular management has been around long enough to assess its long-term impact: all these organizations are leaders in their (local or regional) industries, and moreover, have demonstrated how principles of circularity of power and authority enhance organizational resilience and performance as well as sustain empowerment at all levels of the organizational hierarchy (Romme, 2016; Romme and Endenburg, 2006).

Elsewhere, I have outlined some of the key challenges arising from implementing circular management (Romme, 2015). In this respect, the following misconceptions may arise: (a) implementing one of these approaches means abandoning the corporate hierarchy; (b) once the blueprint of holacracy or sociocracy has been adopted, any implementation strategy will do to get the organization there; and (c) these new forms of management do not affect the executive and supervisory boards. Notably, these challenges can be addressed by redefining ‘hierarchy’ as an unambiguous sequence of abstraction (rather than authority/command) levels (Romme, 1996), redefining organizational ownership in terms of organizations that ‘own themselves’ (Romme, 2016), and adopting ‘informed consent’ as the primary rule for making policy decisions and leaving operational decisions to functional leaders appointed by informed consent (Romme, 1997; 2015).

Grand Challenge

The quest for management as a science-based profession may be one of the biggest grand societal challenges of our time. Ferraro *et al.* (2015) argue that a grand societal challenge involves many interactions and nonlinear dynamics, has highly uncertain dimensions and consequences, and cuts across jurisdictional boundaries implying multiple evaluation criteria. Accordingly, grand challenges such as climate change and professionalizing management require collective responses that allow diverse actors to interact constructively over prolonged timespans, and moreover, sustain different interpretations among various audiences with different interests and backgrounds (Ferraro *et al.*, 2015).

Any grand challenge has many potential solutions, and therefore “there is no way of knowing in advance how best to proceed”, which calls for multiple experiments (Ferraro *et al.*, 2015: 376). Circular management can be conceived as an ongoing experiment in the quest for professionalism. The challenges arising from the quest for management as a profession are huge, which also calls for experiments with many other approaches addressing this grand challenge.

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