

SERIES EDITORS:

Stewart R. Clegg &
Ralph Stablein

Bob Hodge, Gabriela Coronado,
Fernanda Duarte and Greg Teal

Chaos theory and the Larrikin Principle

Working with organisations
in a Neo-Liberal world

Liber
Copenhagen Business School Press
Universitetsforlaget

Bob Hodge, Gabriela Coronado, Fernanda Duarte, and Greg Teal
Chaos Theory and the Larrikin Principle – Working with Organizations in a Neo-Liberal World

© CBS Press and the authors 2010

1st printed edition 2010

The e-book is published in 2013

Series editors: Stewart R. Clegg and Ralph Stablein

E-book production: PHi Business Solutions Ltd. (Chandigarh, India)

ISBN (e-book edition): 978-87-630-0299-8

ISBN (printed edition): 978-87-630-0235-6

CBS Press
Rosenoerns Allé 9
DK-1970 Frederiksberg C
Denmark
slforlagene@samfundslitteratur.dk
www.cbspress.dk

All rights reserved. No part of this publication may be reproduced or used in any form or by any means – graphic, electronic or mechanical including photocopying, recording, taping or information storage or retrieval system – without permission in writing from the publisher.

Advances in Organization Studies

Series Editors:

Stewart Clegg

Professor, University of Technology, Sydney, Australia

Ralph E. Stablein

Professor, University of Otago, New Zealand

Advances in Organization Studies is a channel for cutting edge theoretical and empirical works of high quality, that contributes to the field of organizational studies. The series welcomes thought-provoking ideas, new perspectives and neglected topics from researchers within a wide range of disciplines and geographical locations.

www.organizationstudies.org

Contents

Acknowledgements	9
Preface	10
 CHAPTER 1	
What's wrong with business education?.....	29
1. The crisis in business education	29
<i>Outline of a critique.....</i>	30
<i>The Management Education machine</i>	33
<i>Resistance is futile – isn't it?.....</i>	35
2. Towards a critical pedagogy	37
<i>Management vocabulary and its taboos</i>	38
<i>Tensions in the Managerial Complex</i>	39
<i>Critical pedagogy and management studies.....</i>	41
3. Learning from where you are.....	44
<i>What are students really like?</i>	44
<i>Three-body Critical Pedagogy.....</i>	46
<i>What should management teachers know?.....</i>	49
<i>The scope of 'Management'</i>	50
<i>Making sense of the big picture.....</i>	52
<i>The crisis in business education.....</i>	53
 CHAPTER 2	
The Larrikin Principle	54
1. Larrikin practices	55
<i>Defining the larrikin.....</i>	56
<i>The double face of larrikinism</i>	58
<i>Larrikins, larrikinas and the gender problem</i>	60
2. Fuzzy analysis and the Larrikin Principle.....	61
<i>Larrikin myths and meanings.....</i>	65
<i>Uses of history</i>	67
<i>The colonial factor.....</i>	69

<i>Larrikin politics: Is Rudd a larrikin?</i>	70
<i>Cybernetics of the larrikin</i>	71
3. Larrikins in management eyes	73
<i>Whistleblowers</i>	76
<i>The Larrikin Principle</i>	78
 CHAPTER 3	
Managerialism	79
1. Larrikin perspectives on management	80
<i>Larrikin diagnoses of Managerialism</i>	82
2. The double face of Managerialism	86
<i>Total Quality Management as paradigm shift?</i>	87
<i>Taylorism revisited</i>	89
<i>Taylorism and the managerial ideological complex</i>	90
<i>Taylor as butterfly effect</i>	91
<i>Larrikin antibodies</i>	92
<i>The Star Wars guide to bad management</i>	94
3. Coping with chaos and change	95
<i>Discourses of change</i>	95
<i>Resistance</i>	98
<i>‘Only the paranoid survive’</i>	100
<i>Managerialism</i>	102
 CHAPTER 4	
Neo-Liberalism and its disconnects	103
1. The many faces of Neo-Liberalism	104
<i>Living with Neo-Liberalism in the developing world</i>	106
<i>Neo-Liberalism down-under</i>	108
<i>Contradictions and the ideological complex</i>	110
<i>Fractals of the Neo-Liberal complex</i>	112
2. Globalisation	114
<i>Gurus on globalisation</i>	116

3. Chaos and freedom	118
<i>Scientific models of globalisation</i>	<i>121</i>
<i>The globalisation of resistance</i>	<i>123</i>
<i>Alternative media as David vs Goliath.....</i>	<i>125</i>
<i>The future of Neo-Liberalism</i>	<i>128</i>
 CHAPTER 5	
Corruption	130
1. Fuzzy corruption and the fuzzy larrikin	131
<i>Ambivalent larrikins in business.....</i>	<i>133</i>
2. Pseudo-corruption and the Neo-Liberal complex	135
<i>Wars against corruption.....</i>	<i>136</i>
<i>Reporting third world corruption</i>	<i>139</i>
<i>Measuring corruption.....</i>	<i>140</i>
3. Discursive corruption.....	144
<i>The cybernetics of spin.....</i>	<i>145</i>
<i>Money as a discursive system.....</i>	<i>147</i>
<i>Grand corruption in Larrikin land.....</i>	<i>150</i>
<i>Deep corruption, Mexican style</i>	<i>151</i>
<i>The consequences of corruption.....</i>	<i>153</i>
<i>Corruption</i>	<i>156</i>
 CHAPTER 6	
Power versus goodness @ the edge of chaos	157
1. The problems of goodness	158
<i>Globality.....</i>	<i>159</i>
<i>Globality at work.....</i>	<i>161</i>
<i>Instrumental reason in a chaotic world.....</i>	<i>164</i>
2. Pathologies of power	165
<i>Pathologies of trust</i>	<i>166</i>
<i>Power and control.....</i>	<i>168</i>
3. Thriving in chaos	171
<i>Three body systems and effective partnerships.....</i>	<i>171</i>

<i>Corporate Social Responsibility and the stakeholder model.....</i>	<i>173</i>
<i>Thriving in chaos</i>	<i>176</i>
<i>The power of goodness</i>	<i>177</i>
CHAPTER 7	
Soft Capital and the Informal Polity	179
1. Larrikin correctives to dysfunctional systems	181
<i>Brokers for broken systems.....</i>	<i>181</i>
<i>Soft research for soft systems</i>	<i>182</i>
<i>The power of charm.....</i>	<i>184</i>
<i>Tricks and dodges</i>	<i>187</i>
2. Social capital	188
<i>Versions of social capital.....</i>	<i>188</i>
<i>Marx on the ‘capital’ in Social Capital.....</i>	<i>191</i>
<i>Social capital and the cash nexus</i>	<i>195</i>
3. The informal polity.....	197
<i>Management texts on informal networks.....</i>	<i>197</i>
<i>Informal systems and the idea of social capital.....</i>	<i>199</i>
<i>The governance paradox.....</i>	<i>201</i>
<i>Soft capital and the informal polity.....</i>	<i>203</i>
CHAPTER 8	
Culture and organisations in a global world	204
1. The many faces of culture.....	205
<i>Culture in organisations.....</i>	<i>205</i>
<i>Uses of culture and the management paradox.....</i>	<i>207</i>
<i>Culture and globalisation.....</i>	<i>209</i>
<i>What is ‘culture’?</i>	<i>210</i>
2. Ideological complexes and a multicultural world.....	212
<i>Culture and contradiction</i>	<i>213</i>
<i>The managerialist ideological complex in cross-cultural management.....</i>	<i>215</i>
<i>Management’s ‘science’ of culture</i>	<i>218</i>

3. Cultural Analysis and the Larrikin Principle 221
 Critical discourse analysis and ideological complexes 221
 Thick description 223
 High art and the meaning of culture 225
 Cultural analysis and the larrikin myth 226

Conclusion: a larrikin(a) critique..... 229
 Body 1: the Larrikin(a) Principle 229
 Body 2: Managerialism 230
 Third Body: Neo-Liberalism 231

Bibliography 233

Subject index..... 240

Author index 242

Acknowledgements

We firstly thank the Australian Council for Research, and its Humanities panel, for providing the funding for the research on which the book is based. Different versions of the ideas in this book were first presented to constructive and critical audiences in conferences organised by AILASA (the Association of Iberian and Latin American Studies of Australasia) and APROS (the Association for the Pacific Region in Organisation Studies). Among those who contributed stimulating ideas and comments we would like to thank Stuart Clegg and Michael Muetzelfeld.

The University of Western Sydney paid our salaries and provided many other forms of support, plus priceless data. Colleagues in its School of Management provided valuable input: Wayne Fallon, Louise Kippist, Ron Kelly, Patrick McGirr, as did Zöe Sofoulis with generous abundance, plus Wayne Peake and Maree O'Neill at the Centre for Cultural Research.

With this book, some of the family members of the authors provided even more than the love and support which makes larrikin and academic life worthwhile. Geoff Beache wove together management expertise and a larrikin perspective, along with a high level of film criticism. Anna Notley combined a Masters Degree in Accounting with a creative, anarchic streak that made her the ideal reader that we tried to address. Rob Notley lived his complex identity as an exemplary and non-stereotypical larrikin. John Hodge provided a continual critical commentary from the left of our left. Lorena and Mariana Caballero pointed to our naïve idealism which sometimes blinded us to the dark side of breaking rules. We take the opportunity here, as well as later, to thank our three research assistants, Sandra Klinke, Laura Calderon de la Barca, and Beatriz Cardona, who contributed as much to the book as to the life of the project. And we especially wish to express our deep appreciation to all the Australians, Mexicans and Brazilians who contributed with their stories. We thank them all, and add the usual disclaimer: all remaining faults are our responsibility.

Preface

This is a book on management and organisations today, their theories and practices, written as the global financial crisis of 2008 is still unfolding. The crisis is not our theme, and we do not predict how it will all finish, in the short- or long-term. We only want to look at some key issues as they now appear in what some may call the shadow of the crisis. The crisis damaged a dominant edifice in the ideological skyline, which we call, for the moment, Neo-Liberalism. Even if that edifice is rebuilt, to some degree, it has currently lost several storeys or more. Doubts are cast about how solid its foundations were.

In the space it leaves, the light shines through. We can see some things more easily that have been there for a long time, but were minimised or ignored by movers and shakers in business and politics. In this book we ask: which critiques of current practices in management come back with greater credibility and force in this new light? Which alternative ways of thinking about organisations look better and stronger now than they did five years ago, when we began our research? What new possibilities can be glimpsed and pursued in this new situation?

In the USA, President George W Bush was more identified with Neo-Liberalism than any other leader at the time. However, in November 2008, he reacted to the crisis with massive government interventions widely seen as repudiating Neo-Liberal principles. His successor, President Barack Obama, was elected with a mandate to dismantle the policy edifice of Neo-Liberalism, and search for a new basis for national and world governance. In Australia, Prime Minister Kevin Rudd, elected in 2007 from the Centre-Left, wrote a critique of Neo-Liberalism. He called it ‘that particular brand of free-market fundamentalism, extreme capitalism and excessive greed which became the economic orthodoxy of our time’ (2009:20).

Rudd saw the crisis as a turning point, an event of ‘truly seismic significance’:

This is a crisis spreading across a broad front: it is a financial crisis which has become a general economic crisis; which is becoming an employment crisis; and which has in many countries produced a social crisis and in turn a political crisis... It is a crisis which is simultaneously individual, national and global. It is a crisis of both the developed and the developing world. It is a crisis which is at once institutional, intellectual and ideological. It has called into question the prevailing neo-liberal orthodoxy of the past 30 years. (2009:20)

Politics is commonly seen as a distinct branch of life from organisation and management studies. However, leaders like Bush, Obama and Rudd are all

in effect CEOs of huge, highly complex organisations. All three draw on their expertise and experience as managers, as they consider the once-dominant system of Neo-Liberalism. Neo-Liberalism is itself a theory or ideology of organisations on a global scale.

Rudd defines Neo-Liberalism. We will later revisit other definitions, but Rudd's words give us a useful starting point. He mentions three key qualities. It is 'extreme capitalism', a form of capitalism taken to a logical extreme. He is vague exactly what extremes he means here; but for him, capitalism per se is not discredited. The problem is a linear mentality, which pushes one tendency to its limit, without counter-balancing forces or measures.

He accuses it of being driven solely by 'greed'. Neo-Liberals prefer the terms 'profit' or 'self-interest'. But even if we avoid loaded words, the basis of this linear form of capitalism is sufficiently agreed. It trusts a single motive; self-interest directed to profit, to produce the best, most viable form of the world economy.

Rudd's first descriptor lies at the front and centre of this orthodoxy: 'free-market fundamentalism'. Neo-Liberals would balk at 'fundamentalism'. It implies that its major thinkers are more like religious leaders, making irrational appeals to reason. But faith in the operations of the 'free market', whether based on reason or not, is core for Neo-Liberals. They believe that markets should be left to regulate themselves. Governments of all kinds at all levels should withdraw as much as possible.

A potential contradiction in this theory interests us as researchers of management and organisations. Neo-Liberalism is among other things a theory of management and organisations: how governments should manage the organisations within their sphere of influence. But the theory's main premise is that they should manage as little as possible.

If this principle were applied to corporations and other organisations, it would say that CEOs should try *not* to manage. They should trust in self-regulation below as well as above. They should be anarchists. But as is abundantly clear, they are nothing like this. The mirror image of Neo-Liberalism is called 'Managerialism', the doctrine that the meticulous practices of management and control should be applied to all forms and levels of organisation, irrespective of what they try to do.

CEOs invoke Neo-Liberalism to control governments above them as well as subordinates below them. In a mirror-image, Neo-Liberal Presidents like Mexico's Vicente Fox seek to attract and reassure multinational investment by talking like CEOs (Hodge and Coronado 2006). Either way, this creates a severe disconnect between different spheres of management, between macro-levels (national and global spheres) and micro-levels (companies and other organisations). Even before the crisis showed that this theory may not be the best way to run the world, it was already split by contradictions, between prescriptions and ideologies at different levels.

Rudd calls it a 'brand'. This sees it as being more like the object of a marketing campaign than a coherent theory or policy. We will not follow him all the way here. But we will not assume that there is a single, coherent theory here which may be shown to be right or wrong.

Contradictions are not fatal for a good marketing campaign. On the contrary, they are often of the essence. What matters is how they come together, how they are managed, and how ultimately they connect with the real world. Marketing campaigns can defer the moment of truth. They cannot evade it forever. Rudd sees the current series of crises as a moment of truth. On this point we agree.

He gives Neo-Liberalism only a short history, 30 years. British PM Margaret Thatcher came to power in 1975. Ronald Reagan became President of the USA in 1980. Rudd's estimate of the start of the neo-liberal revolution is defensible. He focuses on its current, sudden, and dramatic collapse, but he describes an equally sudden emergence. What appears that suddenly can collapse equally quickly.

He frames this history in terms of a 'crisis'. In fact, he talks of an escalating series of interlocking crises, in which each crisis triggers off another in an adjacent sphere of life. Boundaries that were thought to exist between these spheres were swept away. Differences between the larger and smaller scales did not survive. These are cascades of change that are so interconnected and rapid they are unstoppable, once the chain reaction begins.

It is not news to Neo-Liberals that the world is in a chaotic state. On the contrary, they claim that globalisation and its unpredictability constitute the natural environment for the definitive triumph of their theory, the One True Way to manage chaos. This crisis shows that Neo-Liberalism had not grasped the real principles of chaos as well as they had thought. It produced a catastrophe they could neither predict nor control.

But the idea that globalisation is now the inescapable condition for all businesses and governments has not been discredited by the crisis, on the contrary. All that has been discredited has been the idea that Neo-Liberalism had a good understanding of globalisation and chaos. The dominant theories of management that accompanied Neo-Liberalism, and were sustained by its supposed triumph, are also exposed to new challenges and criticisms.

Yet attacking these ideas is not enough, on its own. Now it is time for reconstruction, to develop new and better ideas about management and organisations. That is what we are trying to do in this book.

We take a particular angle on management and organisation studies: from below and from one side. From this angle, we can see fissures and contradictions of the dominant system with a clarity that is not so easy from

above. From this place we notice many attitudes and values ignored by the gaze from above. These attitudes and values, the people and practices that embody them, the soil they grow out of, form the basis for a rich set of alternative ideas for rethinking organisation in today's world.

We use the term 'Larrikin Principle' to encompass a range of features that hang together in this alternative. We will not begin with full definitions of our key terms (Neo-Liberalism, Managerialism, Larrikin Principle). We prefer to allow definitions to emerge, to do justice to their richness and complexity. Yet, as we just did with Neo-Liberalism, we give a preliminary account as our starting point.

The term 'larrikin' is associated with Australia, and we use this context to help understand it, but the Larrikin Principle is not confined to Australia or English-speaking countries. Nineteenth century Australia, when the word first appeared, was nationalistic, xenophobic, racist and sexist. All these attributes coloured the conception, and congealed into a stereotype. Similar things happen to stereotypes in other countries. The 'typical Mexican', the 'typical Brazilian', the 'typical Yank' are potent ways of failing to understand the respective peoples and nations. Our version of Larrikins is coloured and inflected by the complex realities of today, post-modern, multicultural, gender-aware citizens of the world, a core part of our strategy to illuminate the issues of organisations throughout the Neo-Liberal world.

Paradoxically, many Australians reject the Larrikin Principle. Many non-Australians show more of it than do most Australians. None of its features is exclusive to larrikins or Australians. The principle came to Australia from a diverse global culture, and in this era, it reconnects with this scope and diversity. Instead of a symbol for a single national identity, for one small nation on the global scene, we use it to see existing and potential connections across this now profoundly connected globe.

Aussies still like to think it is typical of them. It connects with what they think of as their convict past, when their national character was shaped by opposition to the dominant, repressive British rule. This was not a typical post-colonial story. Larrikins did not rise up in arms and throw the coloniser out, as Mexicans and Americans (though not Brazilians) did. They developed a distinctive low-key strategy, beating and joining their oppressors.

In this sense Larrikins have a laid-back style. They are irreverent towards authority, bending or breaking rules if they do not see their point. They expose 'bullshit' wherever they find it. They adapt to new challenges with whatever comes to hand, with pared-down efficiency that gets the job done better than following the rules does. These qualities were born in frontier conditions the past, still needed in post-crisis organisations.

The Larrikin Principle is still alive and well in Australia today, in popular culture and in the world of business, even though a few decades of bipartisan Neo-Liberalism drove it underground. It acts through women and men

at every level of every organisation, and their voices will weave throughout this book, reaching across the globe. Here are a few Australians to begin with, giving their take on the Larrikin Principle:

Robert: It's irreverence or seemingly irreverence for people in authority. A readiness to break rules rather than accept them rigidly. That this is the way things should be done. The larrikin will look and say 'Oh yeah but there's a better way of doing it. We won't do it that way because we can do it better'.

James: I think it's a more efficient way than, in some respects, the total bureaucratic way because ... which unfortunately I think is the way we're going. The level of rubbish and bureaucracy in our organisation's gone ballistic. If they could cut that out, we would become a much more efficient organisation and they wouldn't have to sack so many people to supposedly make us more efficient.

Terry: One point I'd make is that if I'm in a situation where I can bend the rules to get a better result, one thing that would stop me doing that is if by bending that rule I felt like I was queue-jumping or disadvantaging someone else... Yeah, the larrikin thing has within it the concept of a fair go as well as anti-authority and not observing petty rules and that sort of stuff.

Liana, a Brazilian-Australian: [Australians] accept more that they have to follow the rules and the normal bureaucratic process. On the other hand, it is interesting to observe that in Australia – I saw the statistics – for example, if in Brazil it takes a year to start a company, in Australia it takes a day. It is a country where bureaucracy has been eliminated. Just compare that in Brazil we come and say 'Ah, this document needs three stamps, etcetera.' Here it is much more simple. If someone signed it you believe.

In the book that follows we will expand and elaborate on these points. First comes the attitude to authority. The larrikin is only 'seemingly' against authority, as Robert says: against mindless respect for authority that is counter-productive. Second, the means, bending rules, relying on informal systems, is not opposed to rules as such, just to over-elaborate, rigid rules that are inefficient. Third, as Terry insists, these attributes are framed within a strong ethical framework, which rests on a respect for the rights of others, from the top to the bottom of organisations, inside as well as outside. Fourth, as non-Australian Liana observes, in comparison with her native Brazil, the key to easing the process is less defiance against rules than trust which does not need them.

We argue that these principles make for happier, more effective people in happier, more successful organisations, contributing to a better world. That is how we will use Larrikin Principles, as guidelines for inventing new and better forms of organisation, in a more just and less dangerous world.

The Larrikin Principle is a way of being critical, but we need to say more than that about it. Critics are not always welcomed, especially by the dominant. In times of peace and stability, criticism may seem unnecessary. In turbulent times it can seem dangerous. Either way, criticism can seem to interfere with the main business of managing. Critics are resented as ‘troublemakers’.

Against this common perception, we argue that criticism is vital for any organisation, in its larrikin and other versions. We start out from the origins of the Greek word *krino* which means deciding between alternatives. From this word came two lines. ‘Discrimination’ in English carries one line, similar to ‘criticism’. ‘Discern’ and ‘certain’ also belong to this family. ‘Crisis’ comes from the other line, referring to the objects of criticism. In medicine, this is a turning point in diseases that requires discriminating, critical eyes. Patients are ‘critical’, at a turning point between life and death, sickness and health. Doctors who are ‘critical’ see signs of health or disease that others may miss.

This history of words carries lessons about criticism and why and when it is necessary. There is a deep connection between criticism and crisis, as the history of these words suggests. Times of crisis unleash a range of criticisms. Signs and assumptions previously taken for granted are scrutinised. This can be portrayed as destructive, but it is needed to restore health. Crisis generates the need for criticism, which becomes feed-back, to help understand and manage the crisis. A system or organisation without strong critical loops is dangerously unprepared for any change in business as usual.

A major crisis, such as the present case, needs flourishing, diverse criticism, and alternative ideas about what went wrong and what else might be tried. That is precisely what is happening now across the globe. Business life even in normal times constantly negotiates turning points, requiring small or large adjustments by managers capable of discrimination and judgement, who are ‘critical’ in our sense.

In the field of Management Studies the Larrikin Principle would be placed into a stream called ‘Critical Management Studies’. This group gained this label only recently. A manifesto by Alvesson and Willmot (1992) called it a loose grouping in Business Studies, created by a flow of left-leaning academics from outside management, from sociology and related disciplines. We share many of the qualities of this group. We agree that organisations and their contexts can only be understood as social forms. Disciplines like sociology, anthropology, history and semiotics are part of the disciplinary mix of Critical Management Studies.

Using Rudd’s brief history as a framework we note that Critical Management as a named movement arose almost exactly half-way through Neo-Liberalism’s 30-year lifecycle, though some management academics had been critical for many years previously without the name. Co-incidence?

Since its inauguration, this stream has grown in number and standing. It remains a minority position in Management, yet it now has a place. No Neo-Liberal luminaries have said in public that the orthodoxy felt an increasing need for this counter-balance, but that is what has happened. The advent of the crisis does not mean that there is no longer a role for critical forms of management, on the contrary.

Yet, even within Critical Management, there is a sense that the movement is not getting its message across as it should. Martin Parker, a British Critical Management author who writes like a larrikin, takes them to task for their ponderous style:

The arcane nature of many of [their] arguments, the endless debates between neo-Marxists and Foucauldians, realists and post-structuralists, and a typically academic emphasis on the importance of Big Theory means that most of this writing is rarely read outside the academy (2002:14).

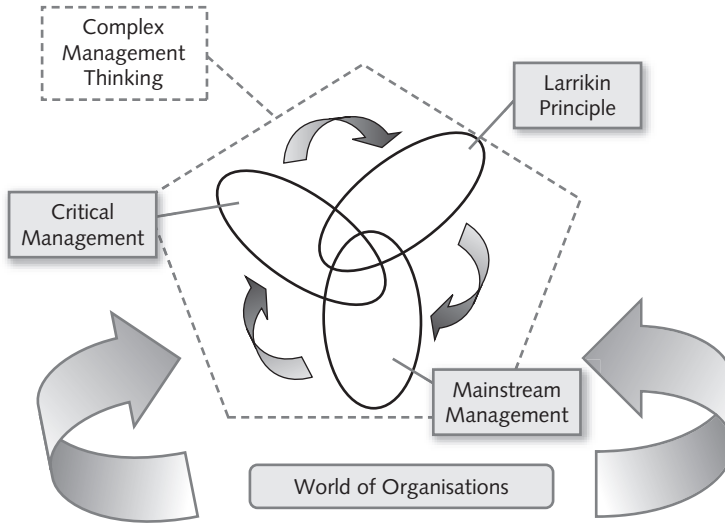
This ‘arcane’ style has its reasons. It flows from attitudes of respect for decorum which do not paralyse larrikins like Martin Parker. Or us.

There are significant differences within Critical Management. These do not weaken it but give it more of the diversity it needs for these times. For instance, Stewart Clegg, an influential figure in Critical Management Studies, offered an insightful criticism of the movement as it appeared to him in 2008. ‘A spectre haunts this collectivity, and it is the apparent dearth of any alternatives to capitalisms’ – note the emphasis on the plural (2008b)

Clegg argues here against simplistic negativity, not against a critical gaze. He wants a greater recognition of the complexity of capitalism on the agenda. Without this, the critical function will miss its primary purpose – to see differences. This is the kind of ‘criticism’ that the world needs from management, ‘critical’ or otherwise.

We begin with a simplified diagram of the relationships we see between Critical Management and the Larrikin Principle, and between both of these and Mainstream Management. We then show two ways in which this edifice of knowledge might be related to the world of organisations, which it supposedly exists to explain.

Management Thinking in a Complex World



This diagram is built around one idea of Management Studies; that it is a single field, which feeds ideas into the world of organisations, from which it receives data and problems. However, we set this simple story in a more complex dynamic picture of management studies and relationships with the world. In this richer picture, the three forms of management thinking jointly form a many-stranded system of knowledge (which includes more than the three we have included). Each shares some things, but the differences are equally valuable. They make the system more dynamic, more adequate to the diversity of what they attempt to explain.

As well as shared points, we also show linking arrows. Debates and dialogues flow across the boundaries, slowly changing each of them, as people in each field become more conscious of ideas and issues they may be taking on board from the others.

Critical Management has been in this dialogue for at least 15 years; long enough to become a dynamic mix of Management and Criticism, to different degrees in different writers. Mainstream Management seems less affected by the dialogue, but this may only seem so because Mainstream Management has greater inertia. The diagram implies our sense that Management has already been subtly altered, and will be more so.

The Larrikin Principle is a newcomer to the system, closer to Critical than Mainstream Management. Yet it approaches Mainstream Management from a different angle, making different connections. It is interested in learning from Management and Organisation Studies, in all forms. It brings dis-

tinct conceptual and analytical tools, which both Critical and Mainstream Management might find useful.

This diagram obscures one key issue that divides the different critical traditions between two poles. At one extreme, positions should be kept as separate as possible. Any trace of compromise or complicity with the opposite tendency is rejected. One slogan for this approach was the powerful phrase of Afro-American radical feminist Audre Lorde: 'The Master's tools can never dismantle the Master's house' (1984:110).

We have a mixed response to Lorde's famous phrase. On the one hand, we recognise that there are situations so extreme that this stance is justified, and the Larrikin Principle seems inappropriate. To take just the case of international aid: critics of Western aid, from Schumacher (1973) to Easterley (2006), agree that Big Plans and Big Technology from the West do systemic damage to recipient societies. Western aid, packaged with Western ways of thinking, proves to be a poisoned chalice.

But the combination is not some metaphysical condition that cannot be resisted. On the contrary, the chains that bind the package together can be named, and resisted. They are Neo-Liberal policies and Managerialist methods.

As another instance, ethnography as a research method has a long history as the Master's tool. In the days of European Empire, ethnographers went out amongst the 'natives' to report back to the metropolis on what made them tick, to make them more manageable (Hodge 2008). Palestinian-US writer Edward Said called this practice 'Orientalism' (1978). Yet in Said's account, as in ours, the worst trick of Orientalism was to claim that this knowledge, which they appropriated from 'native' experts, was always only theirs. The problem was not ethnography as such, but ethnography as theft.

Lorde is herself in some ways a kind of larrikin. She called herself an 'outsider', a radical Black feminist and lesbian, a critic of dominant critics of her time. Larrikins have affinities with outsiders. We see her as our kin. Yet our larrikin attitude to the idea of 'the Master's tools' is completely the opposite. Larrikins do not assume that the Master really owns the tools he claims to. They doubt that the Master knows how best to use them. They are happy to give them a go.

After the crisis, as before, larrikins doubt whether Neo-Liberalism ever understood globalisation, in spite of its claims to be the One True Way to manage it. Globalisation remains open to larrikin hands and larrikin theory, too vast and important to be left with the former Master. Managerialism claimed to know the best way to manage organisations, small and large. Larrikins doubt that, too. The dominant system offered itself as a single sys-

tem, for good or ill, like it or not. The Larrikin Principle is a way of probing such claims.

So far, we have emphasised contradictions in the dominant system, perhaps giving the impression that its contradictions will be enough to destroy it, or that the Larrikin Principle has no contradictions. On the contrary, Marx identified huge contradictions in capitalism in the middle of the 19th century, but these have not destroyed it yet. Even the current crisis is likely to pass with capitalism changed in various ways but still intact. Rudd and Obama still expect to govern capitalist nations in a capitalist world. Far from the Larrikin Principle avoiding contradictions, it needs to incorporate them, to understand and cope with the role of contradiction itself.

To describe a world order containing both power and contradiction, we adapt the concept of the Ideological Complex, developed by Hodge and Kress in 1988, (ten years after the birth of Neo-Liberalism in Rudd's history):

A functionally related set of contradictory versions of the world, coercively imposed by one social group on another on behalf of its distinctive interests, or subversively offered by another social group in attempts at resistance in its own interests. (1988:3)

In these terms, contradictions in Neo-Liberalism/Managerialism are not necessarily a sign of weakness or imminent collapse. On the contrary, they offer its ideologues countless opportunities to defend their system from different angles, saying that black is black or white depending on which is most convenient. Given this inherent slipperiness in the dominant ideology, the Larrikin Principle must be equally mobile, drawing on its own contradictions, if it is to perform its core task of exposing 'bullshit' in all its forms.

Our approach to issues of organisation and the crisis of Neo-Liberalism is distinctive in its use of theories of chaos and complexity. We do not claim that the Larrikin Principle absolutely requires such a framework. The Larrikin Principle comes from below. At present, theories of chaos and complexity come from above and outside of management itself. Yet, we believe there is a deep affinity between these theories and the Larrikin Principle. We also see a larrikin approach to these ideas as the best way to open them up as complex, effective tools for thinking about organisations, from below and above.

Chaos theory and complexity science are more or less respectable today because some very good scientists and mathematicians have taken them up. But this respectability has come at the usual price. Academic proponents of the theories have packaged them as science, dismissing everyday talk about chaos and complexity, without the mathematics, as vulgarisation and misunderstanding.

As larrikins we are suspicious of appeals to authority used to exclude ordinary people. Ideas of 'chaos' and 'complexity' had a long, rich history before these theorists took them up. We welcome contributions from these scientists. But we believe that only through larrikin willingness to try these ideas out will we be able to understand them in practice, following them into the life of organisations.

In fact, management and organisation studies have taken these ideas up more strongly than have most other social sciences. Business guru Tom Peters wrote a best-seller in praise of chaos (1987). Billionaire Bill Gates promoted chaos theory as part of what he saw as a revolution in conditions of business (1999). As larrikins we do not criticise them as popularisers. We wish that more followed their ideas. So far, they feed rhetoric more than thought, but that can surely change.

Here we sketch a small took-kit of ideas regarding chaos and complexity, which we will develop further as the book progresses.

1. *Far-from-equilibrium dynamics*. This is more a framework than an idea. It has been developed most productively by Ilya Prigogine. (Prigogine and Stengers 1984). As a scientist, in a muted way, Prigogine had some larrikin qualities. He was a nomad, an intellectual boundary-rider. He escaped the Russian revolution with his family for Belgium, from where he won a Nobel Prize. Later he moved between Europe and the USA, a mobile and productive 'larrikin' scientist.

In Prigogine's theory, things behave differently under different conditions. Close to equilibrium, everything is fixed or moves slowly. Things are easy to control and follow linear logic. That is the world assumed by Managerialism, in which every action by managers, if performed correctly, will produce precisely the desired effect.

Scientists Davies and Gribbin offer a simple account of linearity:

In physics, a linear system is, simply speaking, one in which the whole is equal to the sum of its parts (no more and no less) and in which the sum of a collection of causes produces a corresponding sum of effects (1991:38)

But further away from equilibrium, things change dramatically. Instead of linear models being the best and only form for scientists and managers to use, non-linearity becomes pervasive. Predictions become difficult or impos-

sible. Causes can act over great distances, or not at all. They can produce larger or even opposite effects.

One famous instance of this is the so-called ‘butterfly effect’ (Lorenz 1993), captured in the image of a butterfly flapping its wings in the Andes, precipitating a hurricane in Montana. Minute initial differences produce hugely different outcomes. Crises and contradictions abound in a far-from-equilibrium world. This is a control-freak’s worst nightmare. The global financial crisis is one such case.

But Prigogine has good news for organisations. The wayward world at the edge of chaos produces all its most interesting and functional forms. He calls them ‘dissipative structures’; open and dynamic systems which feed off the energies of chaos. Some of these complex systems are remarkably stable. Chaos underpins order, he claims: not always, but often enough to have produced life on earth, and all the achievements of humans and other biological forms. Organisations at equilibrium are easy to control but inert. All successful organisations today find order out of chaos. Globalisation is far-from-equilibrium dynamics at work.

Adam Smith, patron saint of Neo-Liberalism, had already intuited something along these lines in the 18th century, in his celebrated theory of the market as an ‘invisible hand’ (2008/1776). Prigogine’s idea of dissipative structures provides support for the idea that elaborate structures of regulation and control may be counter-productive in far-from-equilibrium situations. Yet, the same idea exposes the contradiction in the dominant theory, between Neo-Liberalism’s rhetoric of chaos and Managerialism’s obsession with control.

In these conditions, the larrikin phrase ‘have a go’ comes into its own. It is aware of difficulty and complexity, able to cope with uncertainty, yet committed to action.

2. Complex adaptive systems. This idea nests comfortably within a larger Prigogean framework, but has flourished in its own right, to the extent that some authors prefer to call the whole field ‘complexity science’. Perhaps it has the advantage of being less threatening. In this book we do not define them strictly, or emphasise the differences.

An influential proponent of complex adaptive systems is yet another Nobel Prize winner, US physicist Murray Gell-Mann, who describes a common pattern found in biology, ecology, psychology, learning, thinking, finance and computing:

A complex adaptive system acquires information about its environment and its own interaction with that environment, identifying regularities in that information, condensing those regularities into a kind of ‘schema’ or model, and acting in the real world on the basis of that schema. In each case, there are various competing schemata, and the results of the action in the real world feed back to influence the competition among those schemata. (1994:17)

Gell-Mann sees such systems as generative: ‘complex adaptive systems, it turns out, have a general tendency to generate other systems’ (1994:19). Complex adaptive systems are included in what Prigogine called ‘dissipative systems’. They are such a vast, unknown field of study that both theories combined still only provide a rudimentary handle on what is involved. This is a surface that we can only hope to surf over in this book.

3. *Cybernetics* is one of the most powerful ideas of the 20th century, foreshadowing both chaos theory and complexity science. Gell-Mann’s account of complex adaptive systems describes a classic cybernetic system. In his autobiography, Gell-Mann describes how he met the inventor of cybernetics:

‘a great but eccentric mathematics professor at the Massachusetts Institute of Technology, Norbert Wiener, who as a child had been considered a prodigy, and never got over the need to show off in bizarre ways’ (1994:72).

Behind this acerbic comment, Wiener emerges as an outsider with some larrikin qualities. His genius was to see a simple idea crossing biological, social and engineering systems, captured in the Greek *kybernetes*, a helmsman. The word already covered political and social systems. The English verb *govern* comes from the same root. Wiener applied the same principle to all forms of organisation in order to explain the extraordinary complexity of all human skills.

A key idea in cybernetics is ‘feedback’, the idea that information is fed back into the control system to influence behaviour. Wiener (1948) distinguished between two kinds of feedback. ‘Negative feedback’ cancelled a positive tendency, whereas ‘positive feedback’ increased it. This is confusing because ‘negative feedback’ often entails what seems to be the positive outcome of stabilizing the system, whereas ‘positive feedback’ produces runaway effects which escalate into chaos. To avoid this confusion, we refer to feedback as ‘dampening’ or ‘accelerating’.

Wiener explains one kind of chaos and how to manage it. A form of butterfly effect is produced by accelerating feedback chains. The cascades of crises Rudd pointed out are accelerating feedback loops running through a system with devastating effect. Yet, without a mix of accelerating and dampening feedbacks, control systems would not work. To take a *kybernetes* steering a boat: small changes in the position of the helm are magnified into large effects on the ship’s direction via the rudder by means of a chain of accelerating feedback, to counteract (damp down) its swings of direction.

Management and organisation studies claim cybernetics as their own tool, so we take larrikin pleasure in liberating it. We use it to dismantle the too-static edifices of Managerialism and Neo-Liberalism. For instance, ‘feedback’ is a common word in management, backing up managerial systems of

control. Managers claim to ‘consult’ prior to introducing changes, often just to tick the ‘consultation’ box. This tactic is meant to make the workforce feel that their views are respected, to quieten opposition (dampening feedback). In this form, it may increase alienation (accelerating feedback).

As Wiener recognised, cybernetics is a non-linear science of complexity, not a set of quick fixes. ‘Cyberspace’ is the vast, chaotic field of cybernetic processes. It is not only ‘out there’, in the Internet. It is also inside countless processes; from car engines to banking systems, in all social and economic systems.

4. *Fuzzy logic*. Another larrikin/chaos thinker is Lotfi Zadeh, born in Iran and now a US citizen; another nomad thinker who specialised in crossing boundaries. Zadeh was an engineer, an expert in the cybernetics of control systems. However, he found that the crisp logic prized by engineers, scientists and managers broke down in the face of highly complex systems and conditions, including all systems involving humans.

His solution was fuzzy logic in which boundaries around concepts stay fuzzy, and statements may be only part-true. The more we push for absolute precision, he argued, the more meaningless or irrelevant our schemes become. He captured the core hypothesis in what he termed the Principle of Incompatibility:

Stated informally, the essence of this principle is that as the complexity of a system increases, our ability to make precise and yet significant statements about its behaviour diminishes until a threshold is reached beyond which precision and significance (or relevance) become almost mutually exclusive characteristics. (1973:28)

Fuzzy logic is fundamental to larrikin wisdom. It is contained in the common Aussie phrase that alarms all uptight managers: ‘She’ll be right’.

5. *Fractals*. Belgian-US mathematician Benoit Mandelbrot’s theory of fractals (1993) has been a poster-child for chaos theory, with its computer-generated images being reproduced on everything from T-shirts to book covers. As one instance, the cover of a recent textbook *Understanding cross-cultural management* (Browaeys and Price 2008) has an attractive image inspired by fractals. At the centre, a shape formed by four circles of dots expands exponentially to reveal that each component dot is really an image of planet earth.

This image illustrates many things about fractals. They describe similar patterns across different scales. This is a useful function for analysis. They guide heuristic (discovery) questions. For instance, one key question drives our analysis: what is Neo-Liberalism like at global and local scales? Initially we were struck by difference. Managerialism seems to have the opposite at-

titudes to control systems compared to Neo-Liberalism. On closer inspection we find a complex pattern of contradictions, between rhetoric and practice, linear power and claims of non-linear freedom. A fractal, Mandelbrot insists, is not a simple, mechanical pattern replicated at every level. Complex, irregular patterns are reconfigured at every level in fractal series. What is replicated is not a simple ideology, but an Ideological Complex.

This image seems to have come from the marketing department, not from the authors. There is no mention of fractals in the book, not even to acknowledge the source of the image. In this case, the publisher picked up fractal theory as if it were purely decoration, with no intellectual content. As larrikins, we take fractals back from marketing, and use them.

6. *Power laws.* One old idea that chaos theory has taken up is the concept of Power Laws. At its simplest, this is just the idea that one or both axes of a normal two-axis graph may be an exponential number, giving rise to a characteristic curve that begins or ends flat, but increases ever more steeply. A Power Law refers to phenomena that produce this shape.

Power laws have become more interesting because thinkers like Mandelbrot and Gell-Mann have been interested in them. Fractals follow a Power Law. So do many other phenomena. George Zipf (1949) applied it to sets of words in literary works, and the seemingly unrelated theme of the size of cities. Within a given nation (Australia, Brazil and Mexico for instance) city sizes all follow this curve, in spite of their different histories. Danish physicist Per Bak (1996) sees it as a signature of systems that can become critical, and generate chaos or complexity.

7. *Three body systems.* For some writers, chaos theory was born of an analysis by 19th-Century French mathematical genius Henri Poincaré of the so-called 'three-body problem'. The problem was seen as a big deal because the three bodies it involved were the earth, the sun and the moon in our solar system. According to Newton's definitive scientific breakthrough, these must be strictly governed by Newtonian mathematics.

Poincaré rained on the Newtonian parade. He showed that if there were only two bodies, say the two big ones, the sun and the earth, we could predict precisely where each would be after countless revolutions. But if we add just one more body, say the humble moon, then the mathematics breaks down. The further into the future we look, the less we are able to predict. He used the Master's tools (Newtonian mathematics) to dismantle the edifice of the Newtonian system.

That means that, had we stayed with two bodies, our predictions would have seemed certain, yet would have become increasingly wrong, and we would not have suspected it. Better to be less certain, and more right. It is Zadeh's paradox again. Fuzzy logic is more precise than excessive precision taken too far.

This way of thinking incorporates other traditions; it does not eliminate or replace them. Poincaré did not attack the number two, or all numbers up to infinity. Two is a powerful, productive number. Two heads are better than one and, as Bob Dylan noted, one hand clapping makes no sound. Problems come from the exclusive, reductive use of twos in unreflexive binary analysis.

One lesson of three-body analysis is that any pair is always part of a larger set. However small and insignificant the third body is, like the moon, we should not ignore it. It always has effects, which become ever greater over time. We used a three-body analysis, but without the name, in the diagram 'Management thinking in a complex world'. The Larrikin Principle was the small third body. It opened up an infinite, unpredictable set of possible relations between mainstream and critical management.

The talismanic larrikin phrase 'Fair go, mate' carries a version of 3-body analysis. It is what larrikins say in the face of injustice, where the many or the powerful oppress the small and the weak. In such exchanges the larrikin is like the moon, the third body, outside of the battle between the two in conflict, yet able to change its outcomes, over a longer period, in surprising and unpredictable ways.

We authors are all academics, doing the work that is typical of academics (reading, writing, researching) in the habitats typical of our species. Most books on organisations and management are written with a different default idea about work and organisation. Yet, we wanted to overcome this sense of difference and disconnection. Personal experience is the best teacher of complex lessons. We needed to be able to draw on our own.

Our team consisted of four people from four different nations, with four different backgrounds; two men and two women arbitrarily dumped in the same workplace, in Australia. We were products of globalisation, a hybrid, transnational team, facing complex, demanding tasks. Different personalities, abilities and aspirations had to be balanced and integrated: a typical organisation problem after all.

We used ideas from chaos and complexity to mediate between personal and generic. We framed our project in three-body terms, simplifying the full many-body situation of the world while still capturing some of the irreducible complexity of global relationships and flows. Our three bodies were Australia, Mexico and Brazil, chosen partly because they were important to one or more of us and partly because they occupied significant positions on the peripheries of the global system. We understood them all as revolving around the sun at the centre of the current global system, the USA.

Fractal analysis and fuzzy logic complemented this three-body analysis. Our team, a Mexican, and Brazilian, a Canadian and an Australian, all living in Australia, can be seen as a fractal of the international relationship. As a heuristic device, fractal analysis invites us to look for equivalent complexity on smaller scales, while fuzzy logic allows us to describe it more easily. If we look, we find. If we can describe it easily, we can think with it better.

Gabriela and Fernanda, for instance, are both Australian and Latin American, in different ways. Both were born in a Latin American country and lived there for many years. Both migrated to Australia, married Australians, and became Australian citizens with dual nationality. In terms of the crisp logic of national stereotypes, they are still just one thing, Mexican or Brazilian. Both should be like all other Mexicans or Brazilians, and completely unlike all Australians.

To judge them like this is rational, according to the dominant (linear) definition of nationality. But this way of thinking misses the complex reality of what they are and may become. It creates problems when it comes to thinking about their possible roles in a cross-cultural team whose cross-cultural depth is an important resource.

Gender needs to be treated similarly. In sociological categories, Gabriela and Fernanda are both female, as Greg and Bob are both male. In linear thinking, there is nothing more to be said. But if the fractal of the team combines male and female, each participant can also be seen as combining, in some way or to some degree, both male and female.

On closer inspection, most of the activities of men and women are not exclusively gendered: neither male nor female. In fuzzy logic, the women are female and not-female, the men male and not-male: fuzzy males, fuzzy females. Without the idea of the fuzzy gender of fuzzy larrikins, we would have found it hard to use the Larrikin Principle as we wanted to. The larrikin in Australian culture was a male stereotype, seemingly restricted to a certain class of man, not a helpful way to re-think relationships in organisations today.

To get round this problem we coined a new term, *larrikina*, the feminine form in Portuguese and Spanish, the two main languages of Latin America. Larrikin(a)s are cross-gender as well as cross-cultural. There are still cross-gender differences, but language should not be a barrier to seeing and talking about all the ways that experience is and is not gendered.

This project, in the form it took, needed more than larrikin enthusiasm. The team was fortunate to win a substantial grant from the Australian Research Council, to fund the data collection for an ambitious project. We were grateful for this support, which we used to collect stories about organisa-

tions from ordinary people in Australia, Mexico and Brazil, including transnational Mexicans and Brazilians living in Australia. We analysed them to build up a richer story.

We finished with over 2,000 pages of transcripts, over 700 stories and 1200 reflections from over 100 people from our three parts of the global world. We scanned the media for stories from all three nations. We added a comprehensive set of management textbooks to our database. We were helped in dealing with this mass of materials by two wonderful Research Assistants, Sandra Klinke, a Brazilian with administrative experience, and Laura Calderón de la Barca, a Mexican cultural analyst and psychotherapist, who both also discovered their inner *larrikina*. In the final stages we were joined by Beatriz Cardona, a Colombian with her own complex history and contribution.

The fractal principle opened up a wealth of illuminating data, at many different levels. We could see apparently minor incidents recounted by countless ordinary people, in Brazil, Mexico and Australia, as carriers of complex and important meanings about processes in organisations and nations in a global framework. Personal stories related by members of our team provided further rich data. So did team film evenings.

We held our team meetings once a month, booking a meeting room in U9, a building which housed a group of academics in the School of Management. But we soon learned that we had to close the door properly. ‘There’s too much laughter here to be a research meeting’, laughed Anneke. Louise, whose room was closest to our meeting room, just closed her door when our meetings started, without complaint but with a good line in understated satire. We tried to be more constrained and considerate to others, but we did not fully succeed. Besides, laughter is a key marker of *larrikinism*.

These colleagues were not only remarkably tolerant. Over time, they came to shape the themes of the book, and inspire its conclusions. As colleagues they were warm, supportive, and constructive. As we also came to learn, they were the ones whose efforts, dedication and humanity often carried a School that was staggering under the weight of Neo-Liberal dictates and managerialist solutions. Most came from management positions, being far more competent administrators than most academics (and many of their current bosses). They showed us the complex, low-key reality of the *Larrikin Principle* at work in organisations. All we had to do was build the theory around their example.

We end this preface where we started, with the words of Australian Prime Minister Kevin Rudd on the implications of the crisis:

The time has come, off the back of the current crisis, to proclaim that the great neo-liberal experiment of the past 30 years has failed, that the emperor has no clothes. Neo-liberalism, and the free-market fundamentalism it has produced, has been revealed as little more than personal greed dressed up as an economic philosophy. And, ironically, it now falls to social democracy to prevent liberal capitalism from cannibalising itself. (2009:25)

Here Rudd targets not just an economic doctrine, but also the myth that has sustained it. In this myth, Neo-Liberalism is the hero, riding the white horse of the Free Market, with the sword of Managerialism in his hand, and his allies the Aspiring Poor, defeating the dragons of Inefficiency and Corruption. The King, Globalisation, promises him his daughter, Unlimited Profit, as a reward, plus his kingdom, the planet itself. Australia, Mexico and Brazil are lost in the crowd cheering his victory.

We responded to this myth sceptically, as larrikin myth-busters. Our stories from below and outside the centre painted a different picture. In our stories, Neo-Liberalism is more likely to be a villain or an obstacle than a hero. He needs the heroes of our stories if he is to cope, along with dirty tricks not mentioned in his myth.

We also offer a counter-myth. Its hero is the larrikina, cross-cultural, cross-gendered, postmodern saviour of organisations everywhere, carrier of ambiguity, anomaly, disorder, with global roots in deep time. His horse is Cross-cultural Alliances, her sword Informal Practices, his allies Social Capital, Culture and Networks, her enemies Linearity and Injustice. His world is complex, dynamic and unpredictable, and she does not try to own or control it. Australia, Mexico and Brazil are three of many friends who meet along the way, a growing crowd in a journey that is only just beginning.

What's wrong with business education?

We have many reasons to examine business education in terms of the Larrikin Principle. It is a crucial site in the cybernetic cycles whereby practices and ideologies of management are formulated and have effects. The next generation of managers are being taught in business schools, which frame what they are being told about the world of business and its pasts and futures. In cybernetic terms, this becomes a key site for seeing what versions of the world particularly need to be examined and queried, if things are to be different in the future.

The fact that these activities take place in universities adds to their interest as far as we are concerned. Universities and university systems are major forms of organisation in today's societies. They are the major organisation, perhaps the only one, which teachers, students and business people have all experienced. They could be a common reference point, to ground discussions and debates for current and future managers and their teachers. Yet they are hardly mentioned on management courses.

Perhaps this rich resource is deliberately left to one side out of a sense of propriety. Some may feel that it would not do for teachers and students to talk about the institution that surrounds them all. Perhaps current managers feel that they have now gone beyond that stage in their lives. Maybe they do not want to remember when they too were students in an imperfect institution, or to speak ill of their Alma Mater.

Whatever their reason, the Larrikin Principle lacks the sense of decorum required to observe this boundary. We see it as vital to our critical task to focus directly on the relations between universities and business life, to continually stray across this boundary.

1. The crisis in business education

Even before the financial crisis struck with full force, a sense of malaise gripped schools of Business and Management in universities across the globe. Leaders in Business Education were aware of it. There were many warning voices from critics of all kinds. It is just that they were not listened to.

For instance Stewart Clegg entitled a major address given in Brazil: 'And there are no truths outside the gates of Eden' (2008b). He applied Bob

Dylan's words from the 1960s to Business Studies today. They lack a moral compass and a coherent intellectual foundation, he said. Business *Schools* in institutions of Higher Education are becoming *Business Schools* that are subordinated to the current needs and interests of business. They have no thoughts on Eden, no vision of better ways of doing business to help create a better world. Instead of preparing students for a profession, they only equip them with techniques, to use as their future bosses require. (2008b)

In 2008, Philip Delves Broughton reflected on his experience only 4 years before (2008) studying for his MBA at Harvard Business School. He says that he was sensing even then a seismic shift. It pivoted around issues of ethics in business:

In 2003, Harvard introduced a class called "Leadership and Corporate Accountability" to allow students to discuss the perils of chasing dollars down ethical sewers. (2008:4)

In one class, he reports a flash-point in a discussion of an argument that once would have encapsulated the ethical position of the classic capitalism of the 1960s:

Many successful business people lived by one set of ethical issues in their private lives and a quite different set in their professional lives... Knowing that you could win the game of business playing all manner of tricks which you would never inflict on your spouse, children or friends made for a calmer, less complicated life.

This strategy, of solving ethical dilemmas through a total split between private and professional values, now seemed problematic to the class. In the 1960s this was seen as a way of removing complexity. Now, in an environment perceived as already highly complex, it would only make life more complicated.

Heavy criticisms also come from Management mainstream. As early as 1994, Henry Mintzberg, a distinguished Canadian management theorist, had denounced the dominant style of MBA, as exemplified by the Harvard model. Instead he argued that:

much of (its) success is delusory, that our approach to educating leaders is undermining our leadership, with dire economic and social consequences. (1994:5)

Outline of a critique

Two other heavyweights, Warren Bennis and James O'Toole, published an influential critique in the *Harvard Business Review* in 2005 entitled: 'How Business Schools lost their way'. These writers begin bluntly: 'Business

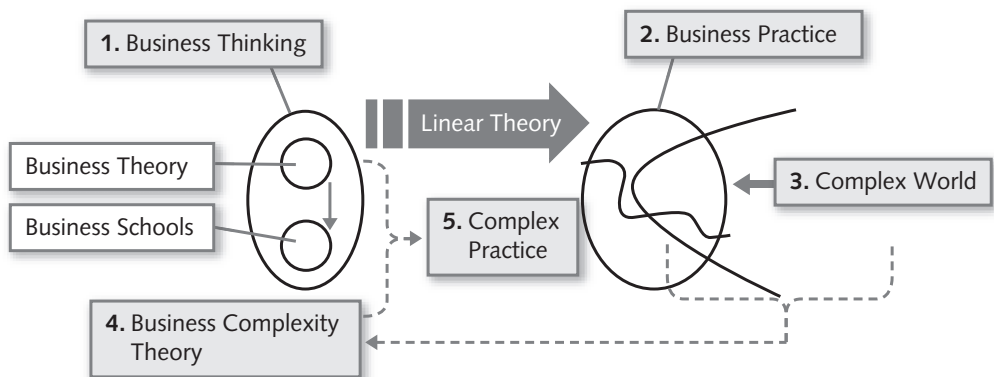
Schools are on the wrong track' (2005:96). They are graduating students 'ill-equipped to wrangle with complex, unquantifiable issues.' This is the 'stuff of management', they say, out there in the real world. Yet back in Schools of Business, even the best, there is an obsessive but irrelevant focus on 'scientific' models. 'When applied to business – where judgements are made with messy and incomplete data – statistics and methodological wizardry can blind rather than illuminate'. (2005:99) The problem, they say, 'is not that business schools have embraced scientific rigour, but that they have forsaken other forms of knowledge' (2005:102).

Their critique contains many points that we develop throughout our book:

1. Complexity is the irreducible condition of the world of business decisions, in businesses themselves and even more so in the world that business has to deal with.
2. This complexity is ignored in dominant forms of business education and theory, making many real-life problems difficult to address or deal with.
3. A major source of this inadequacy is the exclusive use of linear, instrumental rationality, reinforced by the prestige of science, typified by the overzealous and endless promotion of 'models' in business texts.
4. The dominant linearity loses a variety of approaches and disciplines.
5. Critical thinking is vital within as well as outside the mainstream.

Bennis and O'Toole identify a number of disconnects which together show why they are so concerned, as everyone should be who is concerned with the future of business studies. A simple cybernetic diagram is a helpful way of clarifying some of the wider implications of their position.

A Cybernetic Model of Business Education



In 1, *Business thinking*, we see Business Schools dominated by one brand of theory, a linear mono-discipline isolated from all other disciplines in the academy. No feedback loop links business practice and business education, thus it is out of touch with both.

There is one major absence from this picture, Neo-Liberalism. Clegg's critique named it as the model whose form of linear thinking turns all values and processes into cash terms, what he terms 'financialisation'. He blamed the over-balance of one discipline, economics, in the mix that has traditionally underpinned business studies (the others being sociology and psychology).

Distinguished Indian management theorist and educator Sumatra Ghoshal (2005) denounced these economic theories as 'bad theory': 'ideologically inspired, amoral theories with which business schools have actively freed their students from any sense of moral responsibility.' Ghoshal connects this with the recent scandals hitting the world of business in the USA, e.g. the collapse of Enron. He could equally apply it to the 2008 economic meltdown. In both, amorality underpins not success but catastrophe.

In 2, *Business Practice*, we see the complex ways Business Thinking of this kind interacts with the world of business. Managers know they cannot afford to rely only on the edicts of linear theories, but they still operate in an environment dominated by Managerialism and Neo-Liberalism, learnt so well in Business Schools. The result is a split in managerial minds, dividing theory and practice, which they find repeated and exaggerated in the minds of the graduates they then recruit. This is 'bad theory', in Ghoshal's words, which creates tensions within the Ideological Complex.

In 3, *Complex World*, we represent the all-pervasive intrusion of the complexity and chaos of the external world into business decisions and activities. The different facets of reality that make up this mix are studied by all disciplines in the academy, so that multi-disciplinarity is essential, as Bennis and O'Toole insisted. This multi-disciplinarity has to include science in all its forms.

Between 1 and 2, and between 3 and 4, we show no feedback loops which would allow the whole system to learn and grow. This is one price of linear systems of control with one-way flows. However, we inserted 4, *Business complexity theory* that grapples with the hyper-complexity of the interlocking systems of business and the world. We represent these theories and feedback links in dotted lines, to indicate that Bennis and O'Toole do not specifically recommend them. They are our solution to the problems they identified.

The Larrikin Principle can play a vital role at a number of points in this scheme. Larrikin irreverence allows the feedback that the system so badly needs. It offers the critical perspective that Bennis and O'Toole also exem-

plify. The Larrikin Principle is allied with chaos perspectives, yet in an easy, relaxed and unthreatening form.

The Management Education machine

Business education is a conveniently compact object of study, compared to other fields of education. It is especially easy to study because of the role of textbooks in pedagogical practice. Management textbooks in Australia play a more prominent role in business education than in any other field of humanities or social sciences. This is a well-organised global industry, ordered along good business lines by a small body of educational publishers. It is a formidable, well-oiled machine. The crisis has had no time to impact on it, but we do not expect it to interrupt its progress.

To give a sense of how this machine impinges on business education, using Australia as reference point, we look at a corpus of 12 textbooks which between them have penetrated most Australian schools of business and management.

Author	Publisher	Year	Pages	Editions	With aids
Brookes	Pearson	2004	461	1	Yes
Browaes	Pearson	2008	363	1	Yes
Davidson	John Wiley	2003	824	2 + 5	Yes
Deresky a	Pearson	2006	508	5	Yes
Deresky b	Pearson				Yes
Hill a	McGraw-Hill	2008	509	1	Yes
Hill b	McGraw-Hill	2004	582	3	Yes
Hitt	Pearson	2007	677	1	Yes
Hubbard	Pearson	2004	470	2	Yes
Robbins	Pearson	2006	820	4	Yes
Ryan	Pearson	2003	323	2	Yes
Waddell	McGraw-Hill	2007	542	1	Yes
Totals					100% Yes
Averages			507	2.1	100% Yes

Our sample of 12 textbooks has a number of generic qualities. First, they are marketed and sold as commodities. All have glossy coloured covers, and glossy paper. They are all physically substantial. We listed the numbers of pages, averaging 507, but this underestimates the bulk of these books. The average page size is 500 cm², double the size of an ordinary paperback (240 cm²) If these text books had the same page-size as paperbacks, they would average a whopping 1,000 pages, for just one course unit.

Our point in making these calculations is to bring out a paradox in the nature of the material commodity. If the aim of this industry were to deliver the maximum information at the lowest cost, none of these text-books would be efficient. They are big in order to be expensive. They are so expensive that only one can be set for a course.

The pricing and marketing strategy is designed to remove choice within the course. Students at our university take four units per semester, roughly 10 hours per unit, which has to include 3 hours of classes. They also need time for assessment tasks, on average 3 hours per week. That leaves 4 hours per week over 13 weeks, 78 hours. If conscientious students read 20 pages per week closely, equivalent to 40 pages of paperback, they would still only be able to read roughly 260 pages in total, about half the average size of one text.

So, half of the text is meant to be redundant. Students are required to buy redundant material, and given no time, space or direction to read this or anything else. The machine's strategy is to offer more choice that can be taken up within its scope, yet cut off other sources of choice and diversity.

Nor is this choice theirs. The textbook is prescribed by course co-ordinators, not voted on by students. It is true that if a text does not work with one cohort, their experience may affect the course-co-ordinator's choice for the next year, but the decision lies with lecturers, not students.

Reflecting this reality, publishers target course co-ordinators as pharmaceutical companies target doctors. Free copies of textbooks are a standard part of the deal. So too are teaching aids that go with the textbook: free CDs, websites, innumerable exercises. All of our samples are carefully packaged to be easily taught. Authors make every effort to be 'clear' (explicit, rational, orderly), to make transmission of the content as simple as possible.

This strategy may appeal to some teachers, who have little to do if they follow the textbook. They become managers of the machine rather than teachers. They are de-skilled, treated as technicians. Complex decision and thought are made redundant. Their reward would be to be paid the same for less thought and work – unless their academic managers adjust to the tactic and make them work harder (teach/process more students) for the same pay. In this way the academic managers would get more product for their money, and make life harder for teachers who want to think for themselves. Win-win for the Machine.

Students are treated in the same way, with similar effects. When this commercial model is adopted, it pre-empts issues and discussions of pedagogy. The machine will only work with a linear transmission model of education. The content, framed in linear terms, becomes the primary goal of the process. The de-skilling of the teachers and the taught is not presented as a goal of the machine. On the contrary, the rhetoric surrounding the sales pitch says the opposite. However, a management education process organised

around the management textbook industry cannot easily operate with any other pedagogical model.

We did not have the resources to study management education in Mexico or Brazil, beyond determining that the main textbooks of the main US-based publishers are represented in both systems. They are translated into Spanish and Portuguese, but Latin American students are expected to be fluent in English, the language of global business.

A study of management education in the USA by Ken Ehrensals (2001) showed a similar pattern there in the Neo-Liberal heartland. Ehrensals noted the same strong dependence on textbooks, with little reference to works outside it by teachers or students. The content, he said, is highly uniform. They carefully introduce a new specialist vocabulary, so that students will learn to talk the talk. He commented on the abundant teacher resources, so that teachers do not need to know more than students in preparing classes. He found many examples from the 'real world', but so thoroughly worked over that they present a world of 'simplified certainty' in which every thing the textbook tells them to do is unproblematically right (2001:104).

Ehrensals criticises this dominant model of management education for reasons which initially seem different from Mintzberg's or Bennis and O'Toole's. They want management education to reflect the reality of the workplace. He laments the fact that it does, for a different idea of that workplace. His position is hard-line, on the left of Critical Management Studies.

For him, all these features illustrate a 'hidden curriculum', whose real content reduces prospective managers to docile members of whatever organisation they go on to join, to ensure that 'when graduates join organisations after the completion of their studies, they will accept the system of authority as legitimate' (2001:102).

The idea of a 'hidden curriculum' is a powerful one. We do not simply dismiss the idea. But is there no more to say? Is there no place for the Larrikin Principle?

Resistance is futile – isn't it?

Our version of a larrikin curriculum uses wisdom from below. We make extensive use of popular film and TV. Ehrensals (2001:108) finds that most mainstream textbooks do this too, using commercial teaching packages and popular film and TV.

He rejects both equally. We see a great difference. Commercial AV training materials for business students, in our experience, are packaged and trimmed down to fit a single 'message' and ideology. They are hard to re-engineer for critical teaching. Popular film is another matter. This is another of the Master's tools which he never owned, and still does not know how to use. Parker (2002) devotes a whole chapter to popular culture as a source of

critical reflection. We agree. For instance, one of Gabriela's students devoted the journal he wrote for her course to the TV and film series *Star Trek*.

So we kick off this section with the signature phrase of the Borg, a recurring enemy for Jean-Luc Picard, Captain of the *Enterprise* in *Star Trek* 'Next Generation'. 'Borg' comes from Cyb-org, Cybernetic Organism. The Borg combines human and machine in a package ruled by machines. Members of the collective are cybernetically linked to act as one, responding to central command. All individuality is lost. Larrikins are the antithesis of the Borg.

Whenever this huge, seemingly invincible entity approaches another human or community, it announces, in a synthesised mechanical voice, 'Resistance is futile'. It tries to absorb the organic/human into the non-human collective. But every time, they are successfully resisted by the crew of the *Enterprise*, led by the autocratic Captain Picard.

Resistance is not futile in *Star Trek*. The Borg sound like ridiculous, rigid control freaks lacking the resources that come from being human, and unable to overcome their contradictions. Likewise, the Managerial Education Machine is not homogenous. It is crossed by the fissures of the Ideological Complex. It is designed to incorporate and control opposition, but the contradictions remain, becoming sites and opportunities for resistance.

For instance, not all students love the Machine. Many of the best reject it when it presents itself too directly. Andrew spoke for many:

When I was a student here, to me university is a place and you are there to learn and also ... to express your own opinion without being turned down. Whereas on the very first day and on my very first lecture my lecturer said to me "I do not care what you think. I want to know what you have read". This was the very first thing that this person said to me, and I just sat there thinking to myself "This goes against everything and my background", when I like to say how I feel. But I realised I was in Australia, which is very much laid back here and 'she'll be right', and 'I don't care'. But then you have that sort of thing.

Like many of our students, Andrew enrolled in management and already had ideas on the balance between 'School' and 'Business' that Clegg talked of. Andrew's idea of 'business' did not cancel ideals he had concerning critical activity, thinking for himself. In his case he explicitly used the Australian larrikin ethos to reinforce his resistance. Even without it, he would surely have seen through the crude dogmatism of his lecturer.

None of our management textbooks says anything as crude as this Borg-like lecturer. On the contrary, the Management Ideological Complex celebrates the critical faculty at the very time it is producing docile students. We need to understand how and why this contradiction works, in theory and practice. The role of the Larrikin Principle here is complex. Here, as elsewhere, we do not emphasise how unique the Larrikin Principle is, as an

idea and a method. The Larrikin Principle is more like a cybernetic loop. Its input may come from Mainstream or Critical Management in various forms. Its output may incorporate and shift ideas and practices of both.

To illustrate, we will use a larrikin gaze (critical, grounded, egalitarian) on one of our management textbooks: *Management: an Australasian perspective* by Davidson and Griffin (2003). It is typical in many ways: 824 big pages, (21.5x25.5 cm.), weighing in at 1.5 kilos, costing USD 120.30 (6.8 pages per dollar). There are countless bullet-points, lists and tables, and questions to test whether students have read and understood the points. It is a typical example of the Management Education Machine.

But it also has larrikin-friendly elements. The cover has a simple, child-like drawing of a man in an ill-fitting suit, balancing on a monocycle on a tightrope. His head is unnaturally small, his mouth wide-open. He is juggling five balls. Two more are sitting below, on the tightrope – waiting for him to pick them up? And drop all the other balls? This larrikin cover ‘takes the mickey’ out of management. It presents Management not as science but as a joke. This over-stressed manager is not laughing.

The textbook has other mildly larrikin elements. It takes topical cases from business journalism to show things going wrong in Australian and US business life. That is a start, from a larrikin point of view. It may be sanitised, but at least it connects with reality. There are also boxes headed ‘critical thinking’. This is larrikinism in a box, but still allows the larrikin quality of making critical connections.

Our larrikin gaze picks up many larrikin motifs, though these authors do not emphasize them. There is a hidden need for a larrikin factor, buried and under firm control, but still present. The Management Education Machine has two ‘hidden curricula’ not just one. One we call the ‘zombie loop’. Counteracting it is the larrikin loop.

2. Towards a critical pedagogy

‘Theory’ tends to be viewed with ambivalence by management students, being seen as dry, abstract knowledge opposed to the truth of practice. It is true that ‘theory’ can be packaged in oppressive ways, which we will try to avoid. Yet, in the case we are dealing with, management in education and in the world of business, we need an alternative to the binary of theory/practice. In this third space, ideas need to be able to circulate freely, regarding both theory and practice, in education and business alike. In this section we develop the term ‘critical pedagogy’ to frame that space.