

Critical Perspective: An Analysis

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ABSTRACT

For some reasons, certain practices and behavior are normalized and taken-for-granted. In academic and professional practice, models and theories are espoused and become standardized with little or no evaluation. Critical theorist sought to break the normalization cycle by challenging the cognitive contexts and inherent interests in the various perspectives of scholars and practitioners. This paper synthesized and summarized the main elements of critical management studies (CMS) and stakeholder theory as well as their contributions to management theory and practice.

Keywords: critical theory critical perspective, stakeholder theory

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1. ASSESSING THE CRITICAL PERSPECTIVE

Before delving into the topic of critical perspective, it is important to understand the fundamental semantics. The Merriam-Webster's online dictionary (n.d.) described critical as "Exercising or involving careful judgment or judicious evaluation" (para. 2) and perspective as "The way you 'see' things as a result of who you are and what you do" (para. 1). These descriptions imply that being critical by raising doubts or questions stems from one's perceptions. Therefore, people will see and interpret situations or phenomenon differently based on their background, philosophy, affiliation and so on.

From an academic level, Edelsky (1999) pointed out that the idea that people live within systems is part of the assumption of critical perspective and that "Being critical means questioning against the frame of system, seeing individuals as always within systems, as perpetuating or resisting systems" (p. 42). In other words, challenging the status quo or ideas that have become normalized. According to Reynolds (1997), questioning assumptions and analyzing power relations are the characteristics of a critical perspective. Similarly, Reynolds (1999) highlighted that critical perspectives share principles such as probing taken-for-granted practical and theoretical assumptions, shedding light on power processes, challenging rational claims and exposing hidden interest driving such claims, and the advancement of a fair and just society. Further, Reynolds (1997) noted that a critical perspective is about questioning both the means and the ends without allowing the means to limit the ability to challenge the ends. In the same vein, Mckormick (as cited in Serafini, 2003) pointed out that the emphasis of a critical perspective is about interpreting as well as supporting or rejecting the contexts from which a premise was constructed.

Critical theory is one of the schools of thought that have influenced critical perspective (Reynolds,1999). According to Adler, Forbes, and Willmott (2007), critical theory “assumes the feasibility and desirability of greater autonomy for individuals, who, in the tradition of enlightenment, are able to master their destinies through collaboration with peers” (p. 138). In other words, people can come together to emancipate themselves from long held beliefs and chart a common and acceptable path for the desired future. Critical theory has its roots with the institute of social research affiliated with the Frankfurt School and developed by Jurgen Habermas (Lynch, 2001; Reynolds,1999). Habermas, in his theory of communication, posited that “rationality in a non-instrumental sense can be retained, and the emancipatory potential of critical theory can be recovered” (p. 353). In other words, non-coercive reasoning is critical in questioning taken-for-granted assumptions. Adler, Forbes, and Willmott (2007) pointed out that Habermas’s ideal speech situation idea was central to his postulation that human communication should be at a level where it is free and equal.

Critical theory aimed to counter orthodox social theories that have influenced society through intellectual stimulation; understand how modern capitalism with its attendant technological and ideological lures has affected and disempowered the working class; and provide solutions to the bashing and culture and restoration of the Marxian ideology (Adler, Forbes, & Willmott, 2007). According to Lynch (2001), critical theory has historically tried to take on issues associated with political oppression and focuses on connecting reason and thought with transformation and emancipation respectively. Kilgore (2001) noted that critical theorists believe better knowledge is created through rational interest, that emancipatory power can come from knowledge, oppressive structures are sustained through taken for granted ideals, and only through critical and conscious reflection can learning occur. In this paper, I examined the major aspects of critical management studies (CMS) and stakeholder theory, and their contributions to organizational change. In addition, examples of companies embracing such philosophies were discussed.

2. CRITICAL MANAGEMENT STUDIES

Critical management studies (CMS) is based on the notions of injustice and environmental destructiveness as well as a motivation to change the way mainstream management theory shape practice (Adler, Forbes, & Willmott, 2007). CMS proposes a variety of unconventional ways to change management practice in a fundamental way (Adler, Forbes, & Willmott, 2007). According to Willmott (2008), CMS opposes management practices such as “the profit imperative, patriarchy, racial inequality, and ecological irresponsibility” (p. 927) that underscores capitalism. The appeal of the agenda of CMS stems from the domination structure used in management practice that disregards responsibility for people and the environment (Adler, Forbes, & Willmott, 2007).

Critical management studies (CMS), had as its core philosophies from labor process theory based on Marxism and also incorporated elements of critical theory of the Frankfurt School (Adler, 2007; Adler, Forbes, & Willmott, 2007). CMS challenges mainstream research on teamwork for example, where teamwork has been postulated as an effective way to create successful organization and employee outcomes (Adler, Forbes, & Willmott, 2007). CMS research argues that teamwork can lead to team member perpetuating a cycle of exploitation when closely entrenched in business goals and performances (Adler, Forbes, & Willmott, 2007). There are themes associated with critical management studies (CMS). According to Adler, Forbes, and Willmott (2007), CMS focuses on challenging the structures of domination by critiquing normalized structures such as capitalism and patriarchy. Also, CMS challenges taken-for-granted ideas by questioning management and economic practices that are assumed to be the standard.

In addition, CMS challenges the notion of the instrumentality of means-end rationality where organizational processes and human resources development are all geared towards shaping the bottom-line (Adler, Forbes, & Willmott, 2007). This theme is akin to Habermas's idea of non-instrumentality of the Frankfurt school of thought.

Reflexivity and meaning, as well as power and knowledge, are themes associated with critical management studies (CMS) (Adler, Forbes, & Willmott, 2007). CMS raises consciousness about the inherent philosophies of both critical and mainstream researchers that shape their work and argues how meanings of concepts are attributed. Further, power enables and excludes possibilities and is seen as linked with knowledge since knowledge empowers one to effect radical changes.

Overall, critical management studies believe that the profit driven nature of organizations engenders the relegation of societal and environmental concerns to the background and as such, CMS's pursuits are similar to the mainstream theorizing about stakeholder theory and the need for organizations to consider other aspects outside stockholders (Adler, Forbes, & Willmott, 2007). Consequently, I discuss stakeholder theory from a critical standpoint next.

3. STAKEHOLDER THEORY

Taking into consideration the different parts of a system is critical in ensuring stability. According to Parmar et al. (2010), scholars coined the stakeholder concept to question longstanding management ideals that only stockholders matter. Managers, employees, stockholders, suppliers, customers, environment, and society as a whole all make up stakeholders in the value chain (Parmar et al., 2010). Similarly, stakeholders are individuals or groups who directly or indirectly affect the survival of an organization and at the same time could be those who are affected by an organization's operations (Clarkson, 1995; Freeman, 1984).

According to Key (1999), the development of stakeholder theory was laid by Freeman in addressing the relationships between an organization with its operations and its external environment. Stakeholder theory advances a pragmatic way of managing an organization in a complex and dynamic environment (Freeman as Harrison, Freeman, & de Abreu, 2015). According to Key (1999), such descriptions of stakeholder theory focus more on the primary actors and less on the corporate social engagement process and the environment. Thus, stakeholder theory from a critical perspective attempts to address business problems related to value creation and exchange; ethics and capitalism; and management practices given the complex business environment (Parmar et al., 2010). This description of stakeholder theory is crucial, as little importance has been given to the issues of value creation and ethics (Harrison & Wicks, 2013).

Parmar et al. (2010) pointed out that scholars have highlighted different parts of stakeholder theory that contribute to the overall model. These parts include descriptive, instrumental, normative, and managerial. Although these various parts play crucial roles such as facts explication (descriptive and instrumental) and normative (ethics and morality) in the stakeholder theory framework (Parmar et al., 2010), Crane and Ruebottom (2011) argued that such categorizations have also made the process of stakeholder identification difficult such that the interests of the noneconomic stakeholders that are usually societal constituents are relegated to the background. Crane and Ruebottom (2011) further pointed out that the way in which stakeholders are identified using their economic and generic relationships is part of the broad criticism of the theory. Economic stakeholders are generally considered as the primary stakeholders while the generic stakeholders who are usually referred to as the community or activist groups are secondary and mostly not identified (Crane & Ruebottom, 2011).

Consequently, Crane and Ruebottom (2011) proposed a broader proactive stakeholder identification model (collective identification and cross-mapping) that bring together the economic and social interest, which ensures that no party is sidelined. As Harrison and Wicks (2013) noted, economic and societal stakeholders have different needs; consequently, the proper identification of those needs is the reason some organizations are successful over time.

4. IMPLICATIONS FOR MANAGEMENT AND PRACTICE

According to Freeman (1994), stakeholder theory assumes that ethics, and economic bottom-line, and overall value creation are intertwined in a business and should not be separated. Thus, the separation of value creation from the economic aspect of a business is shortsighted at best (Freeman, Wicks, & Parmar, 2004). Freeman (1994) argued that stakeholder theory is about managers since it enables managers to think about their stakeholders and not just shareholders when creating their business plans as well as consider the relationship with stakeholders and the value they will create for them. A lot of firms such as Google and eBay are utilizing the ideas of stakeholder theory to run their operations by not making profitability the core of their processes (Freeman, Wicks, & Parmar, 2004). For example, Starbucks, a *Fortune* 500 global retailer through its *My Starbucks Idea* initiative is embracing and utilizing the concept of stakeholder theory to engage its stakeholders for value creation (Gitman & Enright, 2015).

Managing stakeholders is important in achieving organizational outcomes. Edelenbos and Klijn (2006) pointed out that stakeholder involvement and management can enhance decision-making and successful outcomes. Harrison, Freeman, and de Abreu (2015) posited that stakeholders reciprocate organizational gestures in way such as “such as sharing valuable information (all stakeholders), buying more products or services (customers), providing tax breaks or other incentives (communities), providing better financial terms (financiers), buying more stock (shareholders), or working hard and remaining loyal to the organization, even during difficult times (employees)” (p. 859). These interrelationships show that stakeholders are critical to organizational success.

Likewise, critical management studies (CMS) provides managers with alternative perspectives that can move organizations away from the cycle of social injustice and environmental destructiveness (Adler, Forbes, & Willmott, 2007). As the CMS domain statement puts it, a broader goal that incorporates the interest of the society as a whole is what managers of the modern organization should strive for. Thus, managers should not limit their thought and operational processes to profits alone but consider the entire value chain and the environment. It is interesting to note that *Fortune* 500 organizations are beginning to take up the challenge and embrace ethics and business. For example, companies such as 3M, Adobe, Allac, GE, Microsoft to name a few are embracing ethics to drive positive change in the society (Ethisphere, 2017).

In addition, critical management studies are about management interventions and questioning theories and practices (Adler, Forbes, & Willmott, 2007). Critics in this globalized, multicultural, and dynamic business environment have questioned ingrained management structures, processes, and practices. For example, Harvey and Buckley (2002) have challenged the wisdom of the 20th-century management characterized by hierarchy, rationality, homogeneity, and stability. Harvey and Buckley (2002) argued that such outdated models must be eliminated in the 21st-century management experiencing, faced-paced technological changes and globalization and proposed a re-examination of management theories and concepts that reflect the current challenges of the current business landscape. Overall, CMS and stakeholder theory have no doubt contributed to organizational reforms and continues to do so.

5. CONCLUSIONS

Questioning long-standing models and practices is important to understand the various perspectives that shaped them as well as identifying areas for improvement. Critical theory has influenced different schools of thoughts to evaluate management and organizational models especially those present in the capitalist economies, to achieve equity and fairness. As scholar-practitioners it is imperative that we embrace the questioning philosophy of the critical schools of thoughts to make positive changes in organizations and society as a whole.

The alternatives to management models offered by critical management studies scholars and stakeholder theorist are viable ways organizations can holistically incorporate ethics and business imperatives together and create value for the society as a whole. It is evident as Freeman, Wicks, and Parmar (2004) noted that stakeholder theory is managerial. Therefore, organizations can only achieve such sustainable outcomes if managers embrace these holistic imperatives.

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